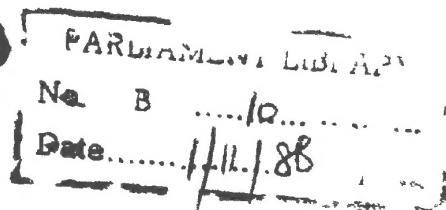


# LOK SABHA DEBATES (English Version)

Tenth Session  
(Eighth Lok Sabha)



( Vol. XXXIX contains Nos. 41 to 53 )

LOK SABHA SECRETARIAT  
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## C O N T E N T S

[Eighth Series, Volume XXXIX, Tenth Session, 1988/1909-10 (Saka)]

No. 53, Friday, May 13, 1988/Vaisakha 23, 1910 (Saka)

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## LOK SABHA DEBATES

1

### LOK SABHA

*Friday, May 13, 1988/Vaisakha 23,  
1910 (Saka)*

*The Lok Sabha met at Eleven of the Clock*

**[MR. SPEAKER in the Chair]**

### OBITUARY REFERENCES

**[English]**

**MR. SPEAKER :** Hon. Members, it is my sad duty to inform the House of the demise of two of our former colleagues, namely, Sarvashri Jai Singh and Ram Sahai. The information regarding demise of Shri Singh was received late.

Shri Jai Singh was a member of the Fourth Lok Sabha representing Hoshiarpur constituency of Punjab during 1969-70.

A product of the Royal Military College Sandhurst, U.K., he served the Indian Army with distinction. A widely travelled person, he was a keen student of Vedant philosophy.

Shri Singh passed away in the Army Hospital at New Delhi on 6th March, 1988 at the age of 78 years.

Shri Ram Sahai was a member of the Constituent Assembly of India during 1947-50 from Madhya Pradesh. Later, he was elected to Rajya Sabha in 1956, re-elected in 1962 and again in April, 1968.

A prominent social worker, he served the people of his State with devotion and was associated in various capacities with several social, political and educational institutions and organizations. He worked untiringly for the spread of education in the remote backward areas of his State.

2

A veteran freedom fighter, he gave up his law practice in 1942 and took active part in the Quit India Movement and was imprisoned also.

An able parliamentarian, he served on the Credentials Committee and the Drafting Committee for drafting Model Constitution for the States and Union. He served on the Public Accounts Committee of Parliament in 1964. He also held the office of Speaker of the erstwhile Madhya Bharat Legislative Assembly during 1948-52. A widely travelled person, he was a delegate to the Commonwealth Parliamentary Conference in Australia.

Shri Ram Sahai passed away at Vidisha on 8th May, 1988, at the age of 93 years.

We deeply mourn the loss of these friends and I am sure the House will join me in conveying our condolences to the bereaved families.

Now, the House may stand in silence for a short while as a mark of respect to the departed souls.

*The Members then stood in silence  
for a short while.*

### ORAL ANSWERS TO QUESTIONS

#### Deposits of Nationalised Banks

**[English]**

\*1083. **SHRI MULLAPPALLY RAMA-CHANDRAN :** Will the Minister of FINANCE be pleased to state :

(a) the growth rate of deposits registered in the banking industry during 1987;

(b) whether the nationalised banks have entered into new fields of activities ; if so, the details thereof ; and

(c) the ratio between the number of branches of the nationalised banks and the population of the country ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) to (c). A Statement is given below.

**Statement**

(a) According to the information furnished by Reserve Bank of India (RBI), the aggregate deposits of all scheduled commercial banks registered a growth rate of 15.6 per cent during the year 1987.

(b) Some of the public sector banks are also now undertaking new activities such as portfolio management, equipment leasing and setting up of mutual funds.

(c) On the basis of population figures of last census and taking into consideration, the bank offices of only public sector banks, the average population per bank office works out to eighteen thousand as at the end of 1987.

**SHRI MULLAPPALLY RAMACHANDRAN :** Sir, the banks play a vital role in the day-to-day life of the citizens. Modernisation in the banking sector is reflected in the new fields in which the nationalised banks have entered. However, in spite of all the development in the banking sector, the customer services still require much improvement. In this connection, may I know from the Hon. Minister what positive steps are being taken by the Government to ensure that the benefits of the modernisation in the banking sector reach to the common man through more efficient customer service ?

**SHRI EDUARDO FALEIRO :** Sir, the supplementary does not directly arise from this question. But I appreciate Member's interest in knowing about the improvement in the customer services. It is a matter of great interest to us. The banks are after all commercial organisations and commercial organisations are there to serve the customers. As the saying goes, the customer is always right as far as the commercial organisations are concerned. Different steps have been taken to improve customer services. They have been discussed in this House. One of them is computerisation by which the customer will get quicker and faster service. For

instance the cheques. Out station cheques must be cleared within a particular period of time. Cheques generally must be cleared within a particular period of time. If they are not cleared then the bank has to pay interest for the delay. And like this, other steps are being taken. The improvement in the customer services is a continuous process and we are aware of the importance of improving customer services. Customer service has improved. Our customer service is comparatively quite good but there is scope for further improvement and we are taking up this matter.

**SHRI MULLAPPALLY RAMACHANDRAN :** We are all happy to know that there is rise in the rate of bank deposits. All the same it is sad to note that the nationalised banks are vying with each other and concentrating only on deposit mobilisation without paying any heed to recovery aspect of the loans, they had advances mainly to the industrial houses and industrialists who have political backing and influence. I would like to know whether the Government has any scheme to monitor and regulate this indiscriminate writing off loans to the tune of crores by the nationalised banks every year ?

**SHRI EDUARDO FALEIRO :** There is no question of writing off loans as a matter of principle and we definitely are also concerned about the need to improve the recovery and we are taking steps in this direction.

**SHRI MULLAPPALLY RAMACHANDRAN :** Ump teen number of cases are there where crores of rupees were written off by the banks. Will you please look into the case and take action against the erring officers ?

**SHRI EDUARDO FALEIRO :** I will surely take action.

**SHRI BASUDEB ACHARIA :** At present there is wide disparity in a number of banks per population. Sir, in Punjab there is a branch for the population of 8000 ; in Kerala and Karnataka, for the population of 9000 ; in Gujarat for 11,000 and in West Bengal there is a branch for a popu-

lation of about 16,000 whereas national average is 14,000. There is also disparity in credit deposit ratio in different States. So, in order to wipe out this disparity what steps Government propose to take ?

**SHRI EDUARDO FALEIRO :** Sir, it is true that in some States, some regions of the country, the concentration of bank's branches is higher than in other regions. For instance in Punjab it is so. It is so in Kerala. This is partly due to the fact that the number of depositors and the deposits are higher there. For instance in Kerala we have a large number of emigrants from the Gulf who send money and they contribute to the higher number of branches. However, it is true that we must increase and stabilise the proportion or the ratio of population for the branches. Not only the population, we must also stabilise the area covered by these branches. We have a definite policy in this regard and we are taking steps in this regard. For the information of the House, I would say what the policy is as far as stabilisation of bank branches in the context of population served by a branch and in the context of area served by the branch are concerned. According to the current branch licensing policy for 1985-90, branch expansion is already considered by the Reserve Bank on the basis of clearly established needs, special gaps in the availability of bank facilities and financial viability of the proposed banks. The proposal envisaged establishment of a bank office for a population of 17,000 in the rural and semi-urban areas of each block and location of at least one branch office within a distance of 10 KM. As far as population is concerned, the norms are relaxed in hilly areas because the population there is scattered and therefore the distance concept is adhered to. So, we are aware of this problem. We are aware of the need to increase the number of branches particularly in the North Eastern States and also perhaps in West Bengal. I say about the North Eastern States because I have visited these States. But here also, it is necessary that the State Governments should help us. For instance, they can help us in getting some infrastructure like some premises for the office and some premises for the residence of the branch manager because they must stay in the

rural areas. There is no point in the branch manager staying in the city and commuting to the rural area's branch. Therefore, the State Government can help us in getting some accommodation. Obviously, the banks will pay rent.

Some branches have already been allotted to West Bengal. We have to establish and instil them.

**SHRI BASUDEB ACHARIA :** How many ?

**SHRI EDUARDO FALEIRO :** I do not have the figures off-hand. I can say that branches are there and we can even reallocate them in terms of the State Government's priorities. But the State Governments should help us in getting infrastructural facilities so that we can proceed with the sense of urgency that the matter deserves.

**MR SPEAKER :** The more the prosperity, the more the banks. That is what he says.

*[Translation]*

**SHRI RAMESHWAR NEEKHRA** (Hoshangabad) : Though the banks sanction loans for self-employment scheme and other schemes under the IRDP, but to get them is a very tedious job for the people. They have to run from pillar to post. Does the Government propose to formulate a system which could enable the people to get the loan without any difficulty and delay under IRDP scheme once the district field officer and district advisory committee have given their approval ?

*[English]*

**SHRI EDUARDO FALEIRO :** Sir, IRDP is managed through the State Governments. The disbursement is made by the Banks. In order to solve the problems which are genuine and mentioned by the hon. member, we have already taken two steps. Firstly, disbursement of and scrutiny must be done by the branch after the receipt of the application or recommendation of the DRDA within 14 days. Secondly, these loans must be disbursed only on a particular day of the week, so that people know beforehand that they can

go on that day and take the loans and they do not have to go again and again. These are some of the steps that we have taken.

**[Translation]**

**THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) :** I would like to add to what my junior colleague has already said. So far as self-employment is concerned, the State Bank has been directed to take effective measures in this regard and create a single window system to avoid any inconvenience to people. The banks should formulate a policy under which they need not re-evaluate the project which has already been evaluated by a particular committee.

**[English]**

**PROF. N.G. RANGA :** Mr. Speaker Sir, I have received many complaints from some of our members and also from different parts of the country about the corruption that is prevailing, especially after the self-employment scheme has been inaugurated without asking for any security at all. In order to get a share, bankers connive with those people and they go on distributing as if it is a matter of charity. What steps are being taken in order to see that this kind of a thing does not happen? I learn that bank principles are being given up. They were doing very good work. Why is it that it is given up?

**SHRI NARAYAN DATT TIWARI :** I take full note of what the veteran member has just now said. We have also heard some complaints in some bank branches. We have asked the Reserve Bank and the Bank chairmen also about this. When I addressed the meeting of the Chairmen of the Commercial Banks and Nationalised Banks. I did mention this to them. I will further take this up with them when I meet them next in the near future.

**Social Security Schemes for Weaker Sections**

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**\*1085. SHRI SRIHARI RAO :**

**SHRI M. RAGHUMA REDDY :**

Will the Minister of FINANCE be pleased to state :

(a) whether Government have finalised the details of the Social Security Schemes for weaker sections of the society as announced recently in the Budget Speech;

(b) if so, what are the details; and

(c) when the schemes will be introduced?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) to (c). A Statement is given below:

#### Statement

(a) to (c). As announced in the Budget Speech for the year 1988-89 a Hut Insurance Scheme for rural areas has been introduced w.e.f. 1st May, 1988 so as to provide fire insurance protection to families in rural areas whose total annual family income from all sources does not exceed Rs. 4,800/- In the event of loss due to fire under this Scheme, the General Insurance Company will pay to the insured a sum not exceeding Rs. 1,000/- for hut and a sum not exceeding Rs. 500/- for belongings in the hut destroyed by fire. The Scheme is operated by the General Insurance Corporation of India and its four subsidiary companies. The entire premium under the Scheme will be borne by the Government of India.

2. As announced in the Budget Speech, the Life Insurance Corporation of India has set up a Social Security Fund to be used for financing Life Insurance Schemes for weaker and vulnerable sections of the population at subsidised rates. The Life Insurance Corporation of India has also prepared Group Insurance Schemes for Handloom Weavers, Rickshaw Pullers/ Auto-Rickshaw Drivers, which will be subsidised from the above Fund and communicated the details to all the State Governments/Union Territories for further action. 50% of the premium for these Group Insurance Schemes will be met from the Social Security Fund and the balance 50% of the premium will have to be paid by the beneficiaries concerned.

3. With effect from 1st April, 1988 a Group Insurance Scheme for IRDP

beneficiaries has been introduced, which offers insurance cover of Rs. 3,000/- with double benefit in case of accidental death. This Scheme covers IRDP beneficiaries aged not less than 18 years and not more than 60 years. For coverage under this Group Insurance Scheme, no premium is to be paid by the IRDP beneficiaries.

**SHRI SRIHARI RAO :** Mr. Speaker, Sir, the hon. Minister in his written reply stated that "a sum not exceeding Rs. 1,000/- for hut and a sum not exceeding Rs. 500/- for belongings in the hut destroyed by fire" will be paid. That shows the compensation may be between Re. 1/- and Rs. 1,000/-.

So, Sir, the sum is not definite here. Having regard to the present value of a Rupee, will the Government frame the scheme so that the intended beneficiary gets not less than Rs. 1,000/- and not exceeding Rs. 3,500/- whenever his hut is destroyed by fire ?

Similarly, he must get not less than Rs. 500/- and not exceeding Rs. 1,500/- whenever his belongings are destroyed.

**SHRI EDUARDO FALEIRO :** This is an experimental scheme. The House may recall that the Finance Minister had mentioned this scheme in his Budget Speech on the 29th of February. The House may also recall that this scheme had already been implemented along with the other schemes that the hon. Finance Minister had announced at that point of time. Regarding social security, I would say that we have already implemented this scheme within a short period of time. However, I would say that this scheme is at an experimental stage. Let us see how it works.

The scheme which you have mentioned is a new scheme. It was announced by the hon. Finance Minister in his Budget Speech. It has been introduced w.e.f. 1st of May, that is this month.

So we are at a very premature stage to go on discussing as to how big the compensation should be. We are at a stage of experience. Let us experiment as to how this goes about.

All that I can say Sir, at this point of time is not regarding the question of how much money should be given to each of the persons affected, but what we must keep in mind is that the resources of the State, the resources of the country, the resources of the Life Insurance Corporation, which are very limited. Within the limited resources, we try to do our best. What I would also like to mention here in the House is that we have many such schemes. The question is not of money. The question is that the people themselves—the landless labourers and so on—for whom this scheme is meant, are not taking the benefit because quite often they are not aware of the schemes. So they are not taking the benefit. We have got so many schemes like that. The hon. Member and in fact all of us should create an awareness about this scheme in their respective constituencies.

This is my request to all the hon. colleagues in this House.

**SHRI E. AYYAPU REDDY :** He is saying that the people are not taking the benefit. Let it be made worthwhile for the people to take the benefit.

**SHRI SRIHARI RAO :** Recently in the AICC (I) Session at Madras, they have criticised some of the State Governments for taking up populist schemes.

I want to know from the hon. Minister whether the schemes announced recently are populist schemes or not. If so, what is the definition of the populist schemes and also what is the definition of the Social Security Schemes ?

**SHRI EDUARDO FALEIRO :** Obviously the populist schemes are those schemes which are to create pleasure for a particular individual by giving doles and by distributing things without any relationship to the economic needs of the population and of the weaker sections. This is what we have in mind.

Now, there was an intervention made between this question and the previous question to the effect that the sum is too small. I would just like to mention that there is a Social Security Scheme for land-

less people of Rs. 3,000. The landless people are taking advantage of that scheme.

In one of our States, there was a meeting which was called for the elected representatives of the people for creating awareness of the Social Security Schemes, in their respective constituencies. It so happened that only one MLA turned up. Therefore, I would say rather than discussing here the amount let us create an awareness among the people as to what facilities are available and you will see that many more people will come forward.

#### World Bank Assistance

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\*1086. SHRI BANWARI LAL PUROHIT :

DR. KRUPASINDHU BHOI :

Will the Minister of FINANCE be pleased to state :

(a) whether the World Bank has promised to extend \$ 3 billion assistance for 11 projects in India;

(b) if so, the details of the projects for which assistance is to be extended by the World Bank;

(c) how India will repay the assistance ; and

(d) to what extent the assistance will be spent on the projects ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE SHRI EDUARDO FALEIRO :  
(a) to (d). A statement is given below :

#### Statement

(a) to (d). At the Aid India Consortium meeting held in June 1987 the World Bank Group has committed assistance of US \$ 2.5 billion to India for the World Bank fiscal year 1988, from 1st July 1987 to 30th June 1988. The assistance is committed against specific projects in the State and Central sectors. The following projects have been negotiated with the World Bank upto 8th May, 1988 :

Sl. No.	Name of the Project	Amount in (US \$ million)		
		IBRD	IDA	TOTAL
1. National Dairy project		200	160	360
2. Drought Assistance project		150	200	350
3. Western Gas project		295	—	295
4. Housing Development Finance Corporation project (HDFC)		250	—	250
5. Industrial Finance project		360	—	360
6. Karnataka Power-II project		260	—	260
7. Railway Modernisation project		390	—	390
8. Tamil Nadu Urban Development project		—	300.2	300.2
9. U.P. Power project		350	—	350
<b>TOTAL :</b>		<b>2255</b>	<b>660.2</b>	<b>2915.2</b>

Some more projects are due for negotiation before the end of June 1988. It is expected that the total World Bank Group assistance negotiated in the current Bank fiscal year will be around \$ 3 billion.

The assistance will be spent on the various projects indicated above.

IBRD loans are repayable in 20 years, including a grace period of 5 years, and carry a variable rate of interest revised semi-annually. The current rate of interest is 7.72% per annum. In addition a commitment fee of 0.75% is levied on the undisbursed portion of the loans. IDA credits are currently repayable in 35 years, including a grace period of 10 years. IDA assistance is interest free but carries a service charge of 0.75% on the disbursed portion of the credit. A variable commitment charge, with a ceiling of 0.5% to be fixed on an annual basis is levied on undisbursed portion of the IDA credits. For FY 1989, no commitment charge will be payable on IDA credits.

The repayment of World Bank assistance will be out of earnings from goods and services and foreign exchange remittances.

*[Translation]*

**SHRI BANWARI LAL PUROHIT :** Mr. Speaker, Sir, through you, I would like to congratulate the hon. Minister for negotiating with the World Bank and succeeding in getting an amount of Rs. 3 billion as assistance for India. There are some misconceptions among the people about the assistance provided by the World Bank. They believe that the World Bank provides this assistance under some conditions. I would like to know from the hon. Minister whether we can spend this amount of Rs. 2255 million dollars which we have received from the World Bank for 9 projects as we please or has the World Bank imposed certain restrictions that the equipment has to be purchased from a particular company or country? I want a categorical reply whether such restrictions and conditions are imposed?

**THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI):** Sir, the hon.

Members may be aware that there are two international organisations which provide credit—World Bank and I.M.F. The International Monetary Fund imposes lot of conditions while sanctioning loans. At times it depends on the balance of payment position of a country. India has been vigilant in this regard this time and in fact, the role of World Bank has also been quite appreciable. The Central Government also puts certain conditions while implementing small schemes. Whenever a small scheme at a district or village level is approved say for constructing a bridge costing Rs. 5 thousand, the Government specifies that tenders will be invited. The person quoting the lowest rate in the tender is awarded the contract and quality is ensured. If such conditions are laid in the national schemes, it is obvious that the World Bank takes similar precautionary steps while dealing with every country. There is nothing new in it for India and moreover, Indian Government has been quite vigilant in this regard. We never accept any thing which is against the interests of our country. I would like to assure the hon. Member that the World Bank has been liberal and pragmatic towards India as compared to the past. Meanwhile, the World Bank was short of resources, and had paucity of funds for sometime. Some new replenishments have compensated a lot. A major trouble has been that we are getting very little I.D.A. aid, which has negligible interest on it. The reason is that the poorest countries of Africa and China have become the member of World Bank for the first time.

**SHRI BANWARI LAL PUROHIT :** Mr. Speaker, Sir, I would like to know from the hon. Minister as to what is the criteria of priority for these 9 projects. Does the World Bank fix the priority on its own or do we tell them about it? For instance, the Urban Development projects in Tamilnadu, Bombay and Nagpur are pending and there has been a constant demand by the people and the State Governments to implement them. I would also like to know as to what is the criterion of fixing priority of Urban Development Projects? Besides, will the hon. Minister kindly elaborate, whether the Government has sent the proposal of irrigation projects which are to be set up

in the country to the World Bank and whether these have been rejected?

[English]

**SHRI EDUARDO FALEIRO :** The identification of priorities for assistance from the World Bank or for that matter for assistance from any foreign agency is always in every case and has always been made by us. We identify priorities and then get foreign assistance. There is no hand of a foreign agency in identifying priorities; priorities are identified by us according to our plan requirements. There is a very lengthy procedure, as far as identification of projects is concerned, which involves the Central Government, which involves the Ministry of Finance, which involves the State Governments and which involves the World Bank themselves. So, I think, this is a procedure which involves all these different agencies. But, in fact, priorities are identified by us in the case of World Bank assistance and in the case of all foreign assistance.

[Translation]

**SHRI BANWARI LAL PUROHIT :** The Urban Development Project of Maharashtra is pending. Kindly tell us about it.

**MR. SPEAKER :** Not like this.

[English]

**SHRI EDUARDO FALEIRO :** Let him give a separate notice.

**DR. KRUPASINDHU BHOI :** I am happy that the benign reply given by the Department has been replaced by the ornamental reply given at the instance of the hon. Finance Minister and the Minister of State. But, at the same time, the cloud has already been removed from the mind of the people. How many drought assistance projects will be taken up, according to the 15-point agro economic zones which have been earmarked in the country, because we are suffering from a severe drought? At the same time, are we taking cognisance of the backward States, as far as power supply and power generation is concerned? Orissa is very poor in power. We are now getting only 450 MW of power. Will the hon.

Minister re-orient and re-consider on a priority basis for the Super Thermal Power Plan Project in Orissa to be submitted to the World Bank? This is the only way we can give a proper justice where it is required.

**SHRI EDUARDO FALEIRO :** The drought assistance project is a priority project among the projects which have been only identified and taken up. There is a contribution of the World Bank of 200 million USA dollars in IDA term and 150 million USA dollars under IDBA term. As far as other projects are concerned, it does not depend alone on this Ministry to identify the projects. I have already said, it depends on the State Governments, it depends on different Ministries of; the Central Government, it depends on the Planning Commission to identify the projects and not merely on this Ministry.

**SHRI C. MADHAV REDDI :** The hon. Minister, while replying to certain questions, a few months ago, informed this House of certain conditions which are generally being insisted upon by the World Bank when we go for negotiating the loan. In one of the recent negotiations with the World Bank, has the World Bank insisted on the 'across the board changes' in the economic policy of this government? Have they also insisted on further liberalisation of our industrial and economic policy and also on our import and export policy? Have they also cautioned the Government of India against excessive borrowings in view of our bad balance of payment position?

**SHRI NARAYAN DATT TIWARI :** Not at all. The World Bank President was here in India himself—Barber Conable. He addressed a Press Conference. If the distinguished member will recall what he said to the Press himself and then go to the record, he will be convinced that it is not the case. The World Bank has not mentioned about it; rather they complimented us for successful execution of our policies. In a sense, they have now thought of massive poverty alleviation programme by the end of the century which India is now doing itself.

**SHRI VEERENDRA PATIL :** Whenever this assistance is asked by the

Government of India, whether it is from the World Bank or any financial international institution, they come forward readily to give us, because among all the developing countries, it is only India which is very regular in debt servicing. It is all right that we are getting money. The entire money is coming in foreign exchange and we have to repay instalments and also interest in foreign exchange. What I want to know is, out of the eleven projects that are going to be financed with this World Bank assistance, I want a categorical statement from the Minister whether these eleven projects cannot be built without the foreign exchange assistance. Because the World Bank is giving only foreign exchange. They may be giving Deutschmark, Yen, or Dollar, or whatever foreign exchange we require. What I want to know is, for instance there is one project, of the Housing Development Corporation. For that some foreign exchange is earmarked. So, can you not build a house with our own resources? Is it necessary that we must have foreign exchange, we must have dollars even for building houses? Why I am saying is, this external debt servicing is becoming a big drain on our resources. Wherever we are in a position to build our projects without foreign assistance, all right by all means, you have it. But for building power projects in our country, we are in a position to manufacture all the necessary equipment. We are in a position to do the civil engineering works also. So, wherever we are in a position to build the projects with our own internal resources, with rupee resources, in such cases, why do you require foreign exchange at all? Because, I have not been able to follow this point. Every time we say, that even for building a small irrigation tank we go to World Bank and seek their assistance! So, I could not follow this policy. That is why, I want to know what exactly is the policy of the Government with regard to this matter.

**SHRI EDUARDO FALEIRO :** No such observation can be made across the board and generalised, because if we generalise then we will reach a conclusion. But the factual position is in India we can make everything today. We can make, from a pin up to aircraft, practically everything. Everything can be made

in India, today. But if everything can be made in India, there is no question of foreign assistance.

**SHRI VEERENDRA PATIL :** I am very sorry. For instance you see, we require foreign exchange to import crude oil, we need foreign exchange to import edible oil. I can understand that. But for building a house, for building an irrigation tank, do we require foreign exchange assistance? I cannot understand that.

**SHRI EDUARDO FALEIRO :** Hon. Member will not disagree with the proposition that we must update our technology for instance. We must import, technology and for this we need foreign exchange. All that I can say is... (Interruptions)

**PROF. N G. RANGA :** It should be re-examined.

**SHRI EDUARDO FALEIRO :** All that I can say on this point is that the percentage of foreign exchange component in our Plan has been decreasing. (Interruptions)

In the Second Plan, the foreign exchange component in our Plan requirement was of the order of 20 plus per cent. Today in the Sixth Plan it is less than ten per cent. So, we have gone down on the percentage of requirement of foreign exchange. We are very careful on this and the requirement of foreign exchange. We require foreign assistance only whenever it is absolutely necessary. (Interruptions) I will do one thing. I will sit with the hon. Member and I will show him how this particular housing project needs foreign exchange assistance.

(Interruptions)

**MR. SPEAKER :** Shri Lakshman Mallik.

**SHRI NARAYAN DATT TIWARI :** May I supplement what my honourable colleague has just now said? We also have a special type of account relationship with the World Bank because we have to repay the loans also; we have to make repayments; these are made out in

rupees in a special account and so these rupees are re-cycled. Such costs can be covered by what rupees we have repaid to the World Bank and come back to us as re-cycled rupees. It is not as if we spend foreign exchange on that matter. This is a rupee expenditure

**SHRI VEERENDRA PATIL :** I do not think that the World Bank loan is repaid in rupees. (Interruptions)

**SHRI NARAYAN DATT TIWARI :** It is a re-cycling of rupees because we pay them and we get back rupees.

(Interruptions)

**SHRI SAIFUDDIN CHOWDHARY :** Sir, did you understand anything ?

(Interruptions)

[Translation]

I don't understand money matters. I haven't dealt in any business.

(Interruptions)

[English]

**SHRI E. AYYAPU REDDY :** Whatever understanding we had, that has disappeared now !

(Interruptions)

**Funds for tribal area irrigation Plan of Orissa**

\*1087. **SHRI LAKSHMAN MALLICK :** Will the Minister of WATER RESOURCES be pleased to state :

(a) the total population of the State of Orissa and the percentage of tribal population in that State;

(b) the percentage of minor irrigation funds being allocated to tribal area sub-plans of the State by the State Irrigation Department;

(c) whether Union Government permit use of special Central assistance to supplement the plan funds of Orissa Government

for minor irrigation sector of tribal area sub-plan; if not the reasons therefor; and

(d) whether Union Government propose to treat the minor irrigation programmes of the State directly tribal family benefit oriented and provide proportionate special central assistance to supplement the funds; and if so, the details thereof ?

**THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) :** (a) As per 1981 Census, total population of Orissa is 263.70 lakhs and tribal population constitutes about 22.4 % thereof.

(b) the allocation to the tribal area sub-plan in the minor irrigation sector works out to 25.6% under the Seventh Plan.

(c) Yes, Sir.

(d) Minor irrigation is treated as one of the family oriented-cum-income generating schemes for which special Central assistance for tribal development is admissible. Utilisation of the special Central assistance for minor irrigation in Orissa was about Rs. 82 lakhs in 1987-88 as reported by the Ministry of Welfare.

**SHRI LAKSHMAN MALLICK :** Mr. Speaker Sir, more than one fourth of the total population of this State constitute tribal population. You know the pitiable condition of the tribal people and their economic condition. Most of them are small and marginal farmers and they mostly depend upon minor irrigation as this is one of the family oriented-cum-income generating schemes.

Sir, my question was, Will the Minister of Water Resources be pleased to state the percentage of minor irrigation funds being allocated to tribal area sub-plans of the State by the State Irrigation Department ? I am sorry the reply of the hon. Minister is very silent to this question. Anyhow, I want to know from the hon. Minister what is the total share of the Union Government to the State of Orissa towards minor irrigation under the tribal area sub-plan.

## [Translation]

**SHRIMATI KRISHNA SAHI :** Mr. Speaker, Sir, a detailed reply has been given. The hon. Member wanted to know the amount of funds allocated for minor irrigation projects for the development of tribal people. The hon. Member might have noted that for the 22.43 per cent tribal population of the State, 25.6 per cent allocation has been made for minor irrigation sector during the Seventh Five Year Plan, which seems to be sufficient. I would like to submit that yearly percentage in tribal sub-plan had been continuously increasing. From 25.6 per cent in Seventh Plan to 35.3 per cent in 1987-88 and 30.6 per cent in 1988-89. Similarly, the reply reveals that special Central assistance has been provided through the Ministry of Welfare. The State Government also provided Rs 21.22 lakhs in 1986-87 and Rs. 82.84 lakhs in 1987-88.

## [English]

**SHRI LAKSHMAN MALLICK :** Sir, may I know from the hon. Minister the total allocation towards minor irrigation under the Tribal area sub-plan in the Seventh Five Year Plan and the total number of hectares that will come towards minor irrigation in the Seventh Five Year Plan ?

## [Translation]

**SHRIMATI KRISHNA SAHI :** Mr. Speaker, Sir, the limit in Orissa was 59 per cent including the irrigated area which is 26.28 per cent. The target of Seventh Plan was to bring 7.06 lakh hectares of land under irrigation which included large, medium and small irrigation projects

## [English]

**SHRI P. K. THUNGON :** It is clear from the hon. Minister's statement that the annual allotment for minor irrigation for tribal areas in Orissa has been increasing. The percentage of financial allotment has been increasing. This is a very good sign. But you are well aware that when the question of tribal and backward areas comes, the increase of financial allocation is not enough. May I, therefore, know from the hon. Minister the increase of

command areas yearwise in the Seventh Plan in this particular area in the field of minor irrigation and also the projected plan outlay for this very purpose. So, what is the command area thereby actually cultivated ?

**THE MINISTER OF WATER RESOURCES (SHRI DINESH SINGH) :** In the Seventh Plan, as my colleague has just indicated, the expectation is of 7.05 lakh hectares—5.26 lakh hectares from minor irrigation and 1.80 lakh hectares from major and medium schemes. During 1985-86 and 1986-87, the minor irrigation potential of 50.05 thousand hectares and 60.50 thousand hectares respectively had been created.

**SHRI K. PRADHANI :** The Minister in his reply has stated that tribal population of Orissa is 22.43 per cent and money allocation is 25.6 per cent. That is a very clever answer given by the Minister that the money allotted is more than the tribal population. But I would like to submit that in tribal areas the total population living there is 42 to 45 per cent including non-tribal population. The irrigation potential in that area is so bad that it is leading to less than 5 to 3 per cent leading to backwardness of that area. Considering the total population and the backwardness of the area, will the hon. Minister consider to allot more money from the Welfare Ministry or from his own Ministry and ask the State Governments also to release sufficient funds to increase the irrigation potential in that area ?

## [Translation]

**SHRIMATI KRISHNA SAHI :** Mr. Speaker, Sir, I have already stated that irrigation is a State subject and formulating schemes in this regard and their implementation, are executed by the State Government. The Central Government only provides assistance. But I would like to submit to the hon. Member that for the promotion of agriculture an amount of Rs 3.5 lakhs is allocated to each block for minor irrigation projects under the centrally sponsored schemes by the Ministry of Agriculture. It is based on IRDP pattern. Provision has been made to bore free wells for the small, marginal and tribal farmers costing from Rs. 3 thousand to 5 thousand.

[*English*]

**State's share in Small Savings Collections**

\*1088. PROF. MADHU DANDAVATE : Will the Minister of FINANCE be pleased to state :

(a) whether the changes in the pattern of investments of the Employees Provident Funds as well as discontinuance of Cumulative Time Deposit Schemes of Post Offices have adversely affected the share of States in small savings collections;

(b) if so, whether deductions towards withdrawals of deposits made from Exempted Employees Provident Funds aggravate the position further; and

(c) if so, whether Government propose to make upward revision of interest on National Savings Certificates and reintroduce Post Office Cumulative Time Deposit Schemes ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):** (a) and (b). Small Savings loans to State Governments have not been reduced on account of change in the investment pattern of Employees Provident Funds and discontinuance of Cumulative Time Deposit Schemes. The loans released during preceding three years are :

1985-86	Rs. 2903 crores
1986-87	Rs. 2800 crores
1987-88	Rs. 3097 crores

(c) No, Sir.

**PROF. MADHU DANDAVATE :** In giving the reply the Minister has proved to be cleverer than I imagined him to be. I readily ask: what are the correct figures in place of the misleading figures that he has given ? Not notwithstanding what he has said by way of reply, is it not a fact that the Government of India from 1st of April has been changing the policy of investment and diverting the investment of Provident Funds from small-scale to special deposits scheme giving advantage only to the Central Government and thereby robbing

the States. Again there were cumulative time deposit schemes of Post Offices ? When that was discontinued also, the States have also suffered and as a result of that, is it not a fact that figures which you have quoted are misleading figures because they do not give the absolute pictures. He has only given increasing figures, such as 2903 crores, 2800 crores, etc. But he has not told the House as to what was the expectation and what was the actual result. I would like to know from him whether the statistics which I am placing here are correct or not, as against the absolute statistics that he has given. After changing of the pattern of investment, is it not a fact—I am talking of Maharashtra State—that in 1986-87, the projected loan assistance was Rs. 699 crores—let us leave the decimal points ? But the actual estimate was Rs. 572 crores and therefore the shortfall. Was it not Rs. 127 crores ? Again in 1987—again it contradicts you—is it not a fact that the projected loan assistance for Maharashtra was Rs. 874 crores and actual estimate was Rs. 456 crores only I have also got the figures for 1989-90. In 1988-89, whereas the projected loan assistance was of the order of Rs. 1093 crores, was not the actual estimate of Rs. 501 crores and again giving a shortfall of Rs. 591 crores. So, I would like to know from him whether it is not a fact that in the three consecutive years, the shortfall was Rs. 127 crores, 418 crores and Rs. 591 crores respectively and if it is so, is it not a great loss to a State like Maharashtra which has shown a record performance as far as collections are concerned, small-scale saving collections are concerned ?

**SHRI EDUARDO FALEIRO :** To being with, I would say it is not a great loss to Maharashtra and what is more important is .....

**PROF. MADHU DANDAVATE :** I have taken only one State.

**SHRI EDUARDO FALEIRO :** I am replying to all our friends and particularly Prof. Madhu Dandavate that it is not a great loss to Maharashtra. That I will say in a moment and surely the State of Maharashtra, as far as small savings are concerned, is not a record to be proud of

in the manner in which he has said. I will go to that point in a moment. But then, Sir, beginning from where he began, that is, why we have changed the investment pattern, let me say that there was a change in 1986 in the budget speech of the then Finance Minister.

**PROF. MADHU DANDAVATE :** We are not concerned with that.

**SHRI EDUARDO FALEIRO :** But you are raising it Sir, he is raising something which was done by the then Finance Minister in 1986.

**PROF. MADHU DANDAVATE :** Since he has referred to that, I am on record that even at that time I vigorously opposed that.

**SHRI EDUARDO FALEIRO :** Let me say that the then Finance Minister made these changes for good reasons and I will not now mention what are those reasons. The important reason for changing the investment pattern of employees' provident fund from 1st April 1986 is (i) where it is not required any effort on the part of the State Governments including the Government of Maharashtra in getting the deposits of EPF since that investment pattern was prescribed by the Central Government and the Fund Authority automatically made these investments in Post Offices account; All of us are concerned that it is the workers who are benefited as result of change of pattern by getting increased rate of interest and (ii) to improve the return to the workers on contributing to the provident fund the investment by EPF get diverted to special deposit account which carry 12% rate of interest as against 11% admissible in the Post Offices time deposit accounts. Finally, the earlier arrangement was somewhere iniquitous in the sense that while workers contributing their provident fund is spread all over the country, the headquarters of the company was located in metropolitan towns, particularly Bombay, and the deposits of provident fund were made on those States only. Attempts to find equitable method of allocating such deposits to other States did not succeed. Now, Sir, how change has been made good by the Government of India....

**PROF. MADHU DANDAVATE :** I have quoted the figures.

**SHRI EDUARDO FALEIRO :** Those figures are not admissible, those figures are incorrect, those are estimates, which are inflated estimates, they are not the estimates of the Government of India.

Now, let me say this. As far as the change in investment pattern is concerned, to remedy the situation which in fact affected all the States—and that I admit—two steps were taken : (1) To raise the States' share from two-thirds to three-fourths from 1st April 1987. As far as Maharashtra is concerned with which the Member is particularly concerned, additional Rs. 17 crores were given to Maharashtra over and above what was given to other States as for the formula of increasing from two-thirds to three-fourths because they suffer a good deal, rightly or wrongly they did suffer, most of the companies are in Bombay and they were getting the money. (2) To monitor the progress of collection and give *ad hoc* loans. Rs 232 crores in 1986-87 and Rs. 349 crores in 1987-88 were given, for Maharashtra Rs. 42 crores in 1986-87 and Rs. 87 crores in 1987-88 were given. Sir, in addition, for Maharashtra special dispensation was given by loans against withdrawals of non-exempted Employees' Provident Fund, the loans thus given were Rs. 186 crores in 1986-87 and Rs. 237 crores in 1987-88 which loans were above what Maharashtra would have normally got. I do not want to go in further details in order not to take the time of the House.

**PROF. MADHU DANDAVATE :** Before I go to the next question, I may tell you....

**PROF. N. G. RANGA :** Both of them are experts from Maharashtra, the same Bombay, and they are monopolising the whole Question Hour.

**MR. SPEAKER :** Because they control the finances, they have financial interest in this.

**PROF. MADHU DANDAVATE :** Sir, with Prof. Ranga's permission, may I supplement this ?

**PROF. N. G. RANGA :** You could have put a separate question. You make the whole House suffer from statistics.

**PROF. MADHU DANDAVATE :** What to do? Finance has to deal with statistics, rupees have to deal with statistics, Bofors Commission had to deal with statistics.

Sir, before I ask my second Supplementary, let me remain on record that the figures which I have quoted and which you said are incorrect are the figures given by the Finance Minister of Maharashtra, the Finance Ministry had supplied them, and we will have to find out whether the privilege should come in this House or the privilege should come in that House, who has actually given the wrong answer. We will decide it afterwards.

Sir, in para (b) of my question I had asked : 'Whether deductions towards withdrawals of deposits made from Exempted Employees' Provident Funds aggravate the position further.' Sir, I would like to ask him a question about a specific situation that arises. When the Provident Fund amount is actually paid and deposited, we suppose that it is put in the National Savings Certificates and then they mature, then actually the amounts are withdrawn. When the amounts are withdrawn, you will find that is not taken note of and whatever is left behind, on the basis of that the loans are given and as a result of that also various States are suffering, the Maharashtra State is also suffering and as a result of that, I am enquiring specifically whether he will restore the original position which existed rather having this revision which has caused great agony to various States as far as their finances are concerned.

**SHRI EDUARDO FALEIRO :** Sir, firstly on the figures I will give the correct figures as we have them. The assumption made in the annual plan for the two years are as follows :

For 1986-87 the plan assumption was Rs. 572 crores. As far as Maharashtra is concerned, the actual loan given was Rs. 572 crores. For 1987-88 the assumption was Rs. 400 crores and the actual loan given was more—Rs. 572 crores again. So, this is the position as far as the figures go.

Now, as far as the exempted funds go and as far as the non-exempted funds go, let me say this that to make this situation more equitable, the Government had the Dighe formula of Mr. Dighe who could not be adverse to the Maharashtrian interests, and then the formula allocated..

**PROF. MADHU DANDAVATE :** Dighe formula ?

**AN HON. MEMBER :** Sharad Dighe !

**SHRI EDUARDO FALEIRO :** No. Allocation was made to different States and actually Maharashtra continued to get the benefits. It is because the formula was applied retrospectively. Actually, Maharashtra has to remburse the Government of India and we have not asked the reimbursement.

Now the position is, in short as far as exempted employees provident fund is concerned, I have said, we made good the loss. The share of the States has been increased from 2/3rds to 3/4ths. I have also said, *ad hoc* loans have been given and special interest has been shown in Maharashtra.

#### Performance of Export Promotion Councils

\*1090. **SHRI K. RAMACHANDRA REDDY :** Will the Minister of COMMERCE be pleased to state :

(a) whether the decline in exports indicates the unsatisfactory performance of the Export Promotion Councils; and

(b) if so, whether it is proposed to revamp these bodies suitably with representation from workers/craftsmen ?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) :** (a) and (b). A statement is given below.

#### Statement

There has been no decline in exports. On the contrary, overall exports have increased by 15 3% during the year 1986-87 and by an estimated 24% during the first eleven months of the year 1987-88.

The performance and functioning of Export Promotion Councils is reviewed

from time to time. In order to improve the functioning of these bodies, a study was entrusted to the Indian Institute of Management, Ahmedabad. The Study Report has been received and the recommendations made therein are under consideration. There is no proposal under consideration for giving representation to workers/craftsmen on these bodies. It is relevant to state here that the Export Promotion Councils are non-profit making bodies intended to be service organisations, with the basic function to serve the exporting community and help in export promotion. They do not undertake any commercial activity or do export business themselves. In view of this position, representation of the employees on the management of EPCs is not considered necessary.

**SHRI K. RAMACHANDRA REDDY :** I am happy with the reply which says that there is an estimated 24% of increase in exports. Now in the Export Promotion Council, no representation is given to States. States must be given due representation and weightage must be given to export of agricultural produce which is perishable. I would like to know whether the produce of agriculture and horticulture is being exported to what countries and what are the prospects of improving the export of horticultural and agricultural produce.

**SHRI P. R. DAS MUNSI :** Sir, first of all, I would like to draw his attention that this Question is not related to specific commodities of export and import policy. This is precisely the functioning of the EPC, Export Promotion Council and their performance.

In so far as agricultural commodities are concerned, we do have a number of commodity boards that take care of their export strategy like Tea Board and Coffee Board. So far as general agricultural export is concerned, I have replied the other day in the House, we have an organisation called Agricultural Processed Food Export Development Authority. We are implementing that very soon through various programmes.

So far as horticulture is concerned, as the hon. Member has said, this also

does come under this provision. There is no such arrangement of giving representation to respective States in the Export Promotion Council because these are only the service organisations of the export commodities.

**SHRI K. RAMACHANDRA REDDY :** As far as export of heavy engineering machines and electronic goods are concerned, the export position is weak. I would like to know what are the steps taken to improve the export of heavy engineering machines and electronic goods?

**SHRI P. R. DAS MUNSI :** It is a fact that in the engineering sector, our Engineering Export Promotion Council, in spite of repeated efforts could not make much headway into the entire export part of engineering goods. It varies between one thousand crores and 1,300 crores. In the recent policies, after having imported a number of capital goods and machineries to upgrade the technology and efforts made to modernise our industry, we do feel and we are confident that by the end of the 7th Plan, we will make a major breakthrough in this sector.

**SHRI THAMPAN THOMAS :** I am in the Export Promotion Council. Recently, there is a considerable decrease in the matter of export of cashew kernels specially to USSR and also spices which are originating from Kerala which were exported and the export of cash crops on which the Kerala economy is depending, had gone down in the last three years' performance. I would like to know whether the Export Promotion Council will be used for increasing the export of all those items. If so, what are the steps taken in that regard.

**SHRI P. R. DAS MUNSI :** In so far as cashew is concerned, in the last year, for not having enough cashew in our country and not being able to mop up the imported sources also, we have not been able to export much of the cashew. So far as the Soviet Union is concerned, it is not that we do there on our own. There are certain arrangements where we have State protocol where main marketing has failed.

In so far as spices are concerned, it is true that in cardamom we are not doing well. I have replied on many occasions in this House, the reason behind it. We are taking active steps to further intensify the progress of this commodity, through the commodity so far as exports are concerned.

#### Assistance to Primary Weavers Societies

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\*1092. SHRI U. H. PATEL :

SHRIMATI PATEL RAMABEN  
RAMJIBHAI MAVANI :

Will the Minister of TEXTILES be pleased to state :

(a) whether Union Government are giving grants assistance, subsidies and incentives in kind and cash to primary weavers societies ;

(b) if so, the details of policy, guidelines and procedure thereof ;

(c) the amount of such grants, assistance etc. given to each such societies during the last three years in Valsad, Vadodra, Rajkot, Surat and other districts of Gujarat ;

(d) the name, quantity and amount of each product manufactured and sold by each of such societies during the last three years ; and

(e) the names and places of such societies in various districts in Gujarat ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). The Central Government provides assistance to the State Governments including Gujarat, under the various Plan Schemes on a matching basis for strengthening the share capital base of primary weavers societies, purchase/modernisation/renovation of looms and Managerial Subsidy for paid Secretaries. Rebate on retail sales of handloom goods is offered by the Central and State Governments on a matching basis.

(c) to (e). A statement showing the assistance given by the Central Government during the last 3 years under the above schemes to Gujarat is given below. Districtwise and Society-wise statistics are not maintained by Government of India.

#### Statement

(Rs. in lakhs)

Sl. No.	Scheme	1985-86	1986-87	1987-88
1.	Strengthening Share Capital base of primary weavers societies.	—	1.25	1.50
2.	Purchase/modernisation/renovation of looms.	12.00	2.00	—
3.	Managerial Subsidy for appointment of paid Secretaries.	—	1.00	—
4.	Rabate*	18.33	43.04	45.93

\* Includes releases to Primary handloom weavers Societies and other organisations of the State.

MR. SPEAKER : The question has been raised.

## WRITTEN ANSWERS TO QUESTIONS

[English]

## Indo-Soviet Trade

**\*1084. SHRI RAM PYARE PANIKA :** Will the Minister of COMMERCE be pleased to state :

(a) the target of Indo-Soviet trade for 1987-88 ;

(b) whether the target was achieved or whether there was a shortfall ; and

(c) the steps being taken to increase the volume of trade between India and the USSR ?

**THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) :** (a) to (c). A statement is given below :

## Statement

(a) to (c). Trade Plans for Indian exports to and imports from USSR are drawn up on a calendar year basis. The targetted Indo-Soviet trade turnover for 1987 was Rs. 3800 crores and the actual implementation is assessed to have crossed the target by about 18%. The target for 1988 has been fixed at Rs. 5000 crores. Efforts are being made from both sides to achieve the target.

A series of steps have been initiated to increase the volume of trade between the two countries. These include expansion and diversification of items included in the trade basket, setting up of a group to study the matter of diversification of structure of trade and economic cooperation, participation in trade fairs, organisation of specialised exhibitions, conducting studies and market surveys for promotion of trade; identification by DGTD of possible areas for import of technology, conclusion of an Inter-Governmental Agreement to promote new forms of cooperation such as joint ventures, production cooperation, cooperation in the services sector, improving institutional links at the level of business organisations, etc.

**Recommendations of Bose Mullick Committee on Handicrafts**

**\*1089. SHRI YASHWANT RAO GADAKH PATIL :** Will the Minister of TEXTILES be pleased to state :

(a) whether Government have considered the recommendations of the Bose Mullick Committee on Handicrafts ; and

(b) if so, the details thereof and the progress of implementation thereof ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) Yes, Sir.

(b) A statement is given below :

## Statement

(b) The Bose Mullick Committee had made in all 53 recommendations. Some of the major ones are as under :—

- (1) The budgetary support of the State Governments to their Corporations/Apex Societies should be suitably stepped up for effective implementation of their policies and programmes.
- (2) As a part of market management, efforts should be made (a) to cut down overheads, (b) to adopt cost effective personnel policies, (c) to exploit locational advantage of inter-emporium arrangements and (d) to rationalise the existing distributional channels.
- (3) Marketing efforts of corporations have so far been negligible in bringing into their fold the institutional buyers like government offices, central/state undertakings, the Tourism Development Corporation and its hotels. At the central level, there is scope for consideration of more handicraft items in the list reserved by the DGS&D.
- (4) Conditions of eligibility for MDF assistance should be amended to enable these agencies to explore the export market.

- (5) Participation of the Development Commissioner (Handicrafts) in the equity of a state handicrafts corporation should be strictly based on economic considerations. A corporation attaining a higher turnover-equity and/or debt-equity ratio should be encouraged to yield better results.
- (6) A 'Handicrafts-Kiosk' approach should be adopted by establishing small shops particularly in non-metropolitan areas or in posh colonies of metropolitan cities. These shops can be run by utilising the services of educated unemployed willing to offer suitable accommodation on an agency basis.
- (7) To make exhibitions more result-oriented, the present level of assistance from the Development Commissioner (Handicrafts) should be doubled.
- (8) To instil a sense of professionalism in the functioning of the Regional Design Centres, designers of repute working in the field of handicrafts should be appointed as consultants on contracts basis for specified periods.

All the 53 recommendations were considered by the Government and grouped in the following for categories :—

- (I) Recommendations concerning Office of the Development Commissioner (Handicrafts), Ministry of Textiles;
- (II) Recommendations to be implemented by State Handicrafts Development Corporations;
- (III) Recommendations involving enhancement of financial allocation;
- (IV) Recommendations involving other agencies/Ministries/Departments.

The recommendations listed under category (I) relate to strengthening of the existing scheme and would be implemented subject to availability of additional Plan resources.

The State Corporations have already been advised to take necessary action as to the recommendations relating to the category II, to be implemented directly by them—

With regards to recommendations grouped under categories (III) and (IV) which involve decision on FUNDAMENTAL ISSUES, a Committee of Senior Officers of the concerned Ministries/Departments has been constituted to advise the Government on acceptability/non-acceptability and/or acceptability with modifications of each and every recommendation.

- (9) In the long run, it will be a desirable situation, if a corporation enjoys a running cash-credit facility with a commercial bank at concessional rates of interest at par with that available to the apex cooperative bodies.
- (10) The Council of Handicrafts Corporations (COHANCI) needs to be revamped to concentrate its activities on areas like common market promotion, publicity programmes, inter-emporium sales arrangements, export promotion, market studies/services etc. Government departments and the public undertakings should be asked by the COHANCI to adopt a 'Single Tender System' to facilitate procurement from handicrafts corporations.
- (11) Corporations/apex societies should utilise the expertise available with voluntary organisations for the (a) mobilisation of rural youth to acquire skills through training for accelerated production of handicrafts (b) improved designs

and technical assistance to ensure their commercial acceptability and (c) marketing with professional competence.

(12) The Corporations/Apex Societies should work out realistic blue-prints of medium-term plans that formalise the tasks in the light of their corporate objectives after taking cognizance of the constraints in respect of all types of resources—financial, physical and human.

(13) Training Programmes on management practices should be undertaken by the Development Commissioner (Handicrafts) for handicraft personnel covering finance, accounts, inventory control and marketing techniques at the Institute of Rural Management, Anand

(14) There should be a welfare programme for handicraftsmen based on three principles :—

- Old age pension or pension for permanent disability due to any reason.
- Financial assistance in case of temporary infirmity and medical benefits.
- Group insurance for craftsmen to cover premature deaths.

(15) Each Corporation/apex societies should have a proper monitoring machinery headed by a professionally qualified 'nodal' officer who should have at his disposal the necessary hardware and software facilities.

**IFC offer of underwriting facilities in Private Sector Companies**

\*1091. SHRI V. KRISHNA RAO : Will the Minister of FINANCE be pleased to state :

(a) whether the International Finance Corporation, an affiliate of the World Bank

has offered underwriting facilities to Indian private sector companies wanting to tap resources in the global markets ;

(b) if so, whether the Vice-President of the International Finance Corporation has also made this offer to the Bombay Chamber of Commerce and Industry when he visited India in March, 1988 ;

(c) whether any agreement in this regard has been reached ; and

(d) if so, the details thereof ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) and (b). Government have seen the press report in this regard. However, the International Finance Corporation has not made any specific offer of underwriting facilities.

(c) No, Sir.

(d) Does not arise.

**Indira Gandhi Canal Stage II**

\*1093. SHRI G.S. BASAVARAJU :

**SHRIMATI BASAVARAJE-SWARI :**

Will the Minister of WATER RESOURCES be pleased to state :

(a) whether the Central Water Commission has expressed serious misgivings regarding the State Government's project to construct lined water courses during the second stage of the Indira Gandhi Canal at its own expense ;

(b) if so, the reasons therefor ;

(c) whether Union Government have agreed to help and assist the State in this programme ; and

(d) if so, the details thereof ?

**THE MINISTER OF WATER RESOURCES (SHRI DINESH SINGH) :**

(a) No, Sir. The State Government has been advised by the Central Water Com-

mission to submit revised estimate for Stage II of the Indira Gandhi Nahar Project incorporating *inter alia* the cost of lined water courses.

(b) Does not arise.

(c) and (d). It has been decided that water courses in the culturable command area of Stage II of the Project for which irrigation potential has been created till March 1988 would be covered by the Centrally Sponsored Command Area Development Programme under which Central assistance is admissible on a matching basis. Funds are also being provided under the Border Areas Development Programme and under Drought Relief Programme.

**Seizure of goods at a Trivandrum Airport**

\*1094. SHRI T. BASHEER : Will

the Minister of FINANCE be pleased to state :

(a) the details of the goods seized by the customs authorities from the passengers at Trivandrum Airport during 1987 and so far during the current year ;

(b) the amount realised by sale of confiscated items during the above period; and

(c) the value of goods lying undisposed ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) to (c). A statement is given below.

**Statement**

(a) The details of the goods seized by the Customs authorities at Trivandrum Airport during 1987 and upto 30th April, 1988 during the current year are given in the table below :—

**(i) For the Calendar year 1987**

Commodity	Quantity	Value
		(Rs. in lakhs)
1	2	3
1. Gold	102030 Gms.	299.43
2. Indian currency	—	0.23
3. Foreign currency	—	0.14
4. Wrist Watches	200 Numbers	1.08
5. Silver	1750 Gms.	0.11
6. Textiles	14883 Metres	8.51
7. Brown sugar	3 Kgs.	9.00
8. Others	—	64.84
<b>Total :</b>		<b>383.34</b>

**(ii) For the Calendar year 1988 (upto 30th April, 1988) (provisional)**

(Value Rs. in lakhs)

1. Gold	53258 Gms.	167.17
2. Precious Stones	1003 Numbers	14.00

	1	2	3
3.	Indian currency	—	0.64
4.	Foreign currency	—	0.32
5.	Wrist Watches	17 Numbers	0.08
6.	Textiles	8764 Metres	3.78
7.	Brown Sugar	4750 Gms.	4.75
8.	Others	—	28.99
Total :			220.73

(b) The amount realised by the sale of confiscated goods which were seized at Trivandrum Airport was Rs. 88.14 lakhs during 1987 and Rs. 16.83 lakhs during 1988 (upto 30th April, 1988).

(c) The value of confiscated goods which were seized at Trivandrum Airport but were pending disposal as on 30th April, 1988 is Rs. 1.20 crores (approximately).

**Promotion at A.G. Office (Bangalore)**

\*1095. SHRI V.S. KRISHNA IYER : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that the Central Administrative Tribunal, Bangalore gave a judgement that the promotion from Accountant to Senior Accountant and Section Officer to Asstt. Accounts Officer in the Accountant General (A&E), Bangalore be given effect from 1 January, 1986 as per Pay Commission's Report ;

(b) the reasons for not giving effect from the above date to all those eligible candidates by the Comptroller and Auditor General ; and

(c) whether Government propose to take steps to give effect to the above judgement to all eligible candidates working in A.G.'s Office (A&E). Bangalore ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE**

**IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) :** (a) to (c). The Government is aware of the judgement delivered by the Central Administrative Tribunal, Bangalore, for giving effect to the restructuring of Accounts cadre with effect from 1.1.1986.

The question of implementing the judgement in the case of eligible employees of the office of the Accountant General, Bangalore, is under consideration of the Government.

**[Translation]**

**Writing off of Loans**

\*1096. SHRI RAM PUJAN PATEL : Will the Minister of FINANCE be pleased to state :

(a) the amount written-off in banking/financial institutions during the period from 1985 to 1987, year-wise ; and

(b) the details thereof ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) and (b). A Statement is given below.

**Statement**

According to the forms of Balance Sheet and Profit & Loss Account pre-

cribed in the Third Schedule of the Banking Regulation Act, 1949, which banks are required to follow, and in accordance with the practices and usages customary among bankers, the banks are given statutory protection from disclosing the quantum of bad and doubtful debts for which the provision is made to the satisfaction of statutory auditors as well as the amount of bad debts written off. In accordance with the statutes governing the public sector banks, information relating to, or to the affairs of their constituents, is not to be divulged.

The regulations rules governing the term-lending institutions like the Industrial Development Bank of India and the Industrial Finance Corporation of India also provide specifically the manner in which their Profit and Loss Account has to be published. Information relating to the provision made for bad and doubtful debts or the amount written off by institutions is also accordingly not published.

**Provision of Furniture etc. in rooms of Officers and Employees Unions of the State Bank of Indore**

\*1097. SHRI RAJ KUMAR RAI : Will the Minister of FINANCE be pleased to state :

(a) what are the rules regulating the provision of furniture, telephones and such other facilities free of cost in the offices of officers and employees unions at the Head Office of the State Bank of Indore ;

(b) the particulars of facilities actually provided there ;

(c) whether the standard of these facilities conform to the prescribed rules ; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d). A Statement is given below :

**Statement**

(a) to (d). No rules, as such, have been laid down for public sector banks to regulate provisions of furniture, telephone, etc. free of cost in the offices of the recognised unions/associations at the Banks' Head Offices. Such facilities have, however been provided by the managements at their discretion keeping in view practicality and reasonableness of the demand. State Bank of Indore has reported that furniture, such as tables and chairs, an extension of PBX line and a typewriter have been provided free of cost at offices of the recognised unions/associations at their Head Office in Indore. This was done following an understanding with the recognised workmen union in 1970 and with the recognised officers association in 1981.

[English]

**Trade with Germany**

\*1098. SHRI H.N. NANJE GOWDA : Will the Minister of COMMERCE be pleased to state :

(a) the main items India is exporting to the Federal Public of Germany (FRG) ;

(b) whether India had good business during the last three years with the FRG ; and

(c) whether there will be further improvement in trade relations between the two countries ?

THE MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) to (c). A statement is given below :

**Statement**

(a) to (c). Exports from India to the Federal Republic of Germany during the last three years have shown an increasing trend. According to the data compiled by DGCI&S, Indian exports to FRG are estimated to be as follows :

**(Rs. crores)**

1985-86	512.96
1986-87	740.30
1987-88 (Apr-Dec)	724.99
1986-87 (Apr-Dec)	497.37

2. Main items of exports to India from FRG include handmade carpets, leather and leather manufacture, textiles and textile products, processed diamonds and coloured gem stones and engineering goods.

3. The Federal Republic of Germany has emerged to be the largest trading partner for India in the European Economic Community. The growing trend in bilateral commercial exchanges between India and FRG are expected to be maintained.

**Maturity claims pending with  
Life Insurance Corporation**

\*1099. SHRI C. JANGA REDDY :

DR. A.K. PATEL :

Will the Minister of FINANCE be pleased to state :

(a) the number of maturity claims pending with the Life Insurance Corporation for payment, during each of the last three years and the current year in the country ;

(b) whether the number of pending maturity claims is on the increase ;

(c) the reasons for large number of such cases ;

(d) the steps Government propose to take to settle claims expeditiously specially in cases of death when the bereaved deserve utmost sympathy on humanitarian grounds ; and

(e) whether such steps were taken some time back and if so, with what results ?

**THE MINISTER OF STATE IN  
THE DEPARTMENT OF ECONOMIC  
AFFAIRS IN THE MINISTRY OF  
FINANCE (SHRI EDUARDO FALEIRO) :**  
(a) to (e). A Statement is given below :

**Statement**

(a) The numbers of maturity claims pending with the Life Insurance Corporation of India for payment during each of the last three years and in the current

year in India as on 29.2.1988 are given below :

<i>As on</i>	<i>Number</i>
31.3.1985	95,907
31.3.1986	77,929
31.3.1987	65,263
29.2.1988	81,434

(Subject to audit)

(b) No, Sir. The number of pending maturity claims is not on the increase but there has been a steady decline over the years, except in current year for which audited figures are not yet available.

(c) The main reasons for pending maturity claims are non-receipt of claim forms, original policy documents, discharge forms, proof of age and proof of title from the policy holders.

(d) & (e). For expeditious settlement of maturity and death claims the LIC has taken several steps including the following :

(i) For payment of maturity claims including survival benefits, lists giving particulars of the concerned policies are generated sufficiently in advance so that the servicing offices can send the requisite discharge vouchers two months in advance of the date of maturity in respect of full force policies and 4 months in advance in respect of paid-up policies. The discharge vouchers in respect of paid-up policies are sent by registered post to the policyholders.

(ii) Wherever the maturity claim/survival benefit discharge vouchers are received alongwith the original policy documents and other requirements, if any, post dated cheque is sent to the policy-holder 14 days in advance of the due date so that the policy-holders is able to realise the proceeds of the cheque immediately on the due date.

- (iii) In respect of maturity claims where the life assured's age has remained to be admitted, age proof is not insisted upon upto the sum assured of Rs. 20,000/-.
- (iv) Indemnity bond for loss of original policy document is dispensed with where the net claim amount payable is Rs. 1000/- or less. Where the net maturity claim amount payable does not exceed Rs. 5000/- only a letter of indemnity for loss of policy document is required to be furnished for claims settlement.
- (v) The work of settlement of maturity claims including survival benefits has been decentralised to all out branches under reorganisation programme. With this decentralisation, the branch offices are in a better position to be in close contact with the policy-holders and render all assistance to them at their doorsteps towards speedy settlement of claims.
- (vi) Where the requirements are not received despite regular follow-up, a claims particular sheet is issued to one of the development officers in the concerned branch office so that he may contact the policy-holder personally and obtain the pending requirements.
- (vii) In case of death claims where title to the policy is open, ordinarily legal evidence of title would be necessary for settlement of claims. However, LIC considers settlement of claims in such cases also by dispensing with legal proof of title on the strength of an indemnity bond from the legal heirs of the deceased life assured jointly with a surety upto the claim amount of Rs. 1,50,000/. This facility saves the claimants lot of hardships, time and expenses involved in obtaining legal evidence of title such as succession certificate or letters of administration. With a view to expediting claims settlement in such

cases, authority for waiver or legal evidence of title has been vested with the Sr. DMs. Incharge of the Divisions upto the net claim amount of Rs. 50,000/- and with the Zonal Managers upto the claim amount of Rs. 50,000/-. The cases where the net claim payable exceeds Rs. 1,50,000/- are considered at the Central Office for allowing settlement of claim dispensing with legal evidence of title depending upon the merits of each case.

- (viii) In case of early death claims where the net claim amount payable does not exceed Rs. 10,000/- investigation into the bonafides of the claim is also dispensed with if the claim is found *prima-facie* genuine on the basis of the claim forms submitted.

*[Translation]*

**Tea plantation in hilly areas of U.P.**

\*1100. SHRI HARISH RAWAT : Will the Minister of COMMERCE be pleased to state :

(a) whether there is a proposal to set up some new nurseries for strengthening and development of tea plantations in hilly areas of Uttar Pradesh during the year 1988-89;

(b) if so, the names of places where these are proposed to be set up;

(c) whether nurseries will also be set up in Jaurasi area in Pithoragarh and Almora districts of this State; and

(d) if so, the time by which these will be set up ?

**THE MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) :** (a) to (d). A Statement is given below.

**Statement**

(a) and (b). Yes, Sir, in Doon Valley area of Uttar Pradesh.

(c) and (d). Two survey teams have been constituted to conduct the survey of

the existing tea estates of Kumaon and Dehradun regions and setting up of more nurseries in these areas depends on the results of the survey.

**Seizure of heroin in Lucknow**

\*1101. DR. G. VIJAYA RAMA RAO : Will the Minister of FINANCE be pleased to state :

(a) whether heroin worth more than one crore rupees was seized recently in Lucknow, as reported in the Times of India dated 11 April, 1988;

(b) whether Government are aware of the sources of supply of this drug;

(c) if so, the reasons for not seizing the drug; and

(d) the prize money to be given to the staff concerned for seizing the heroin ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT KUMAR PANJA) :** (a) to (d). A Statement is given below.

**Statement**

(a) to (d). On 7.4.1988, the officers of Central Bureau of Narcotics, Barabanki seized 1,050 grammes of heroin at Badi Nahar, Bhanauli of Barabanki district. Two persons, namely, Md. Shafiq, who had manufactured the drug from the stock of opium available with him and his accomplice, Hari Prasad, have been arrested. Subsequent searches of the houses of the accused persons, however, yielded no further recoveries.

No precise value of the drug seized can be determined or estimated as this is dependent upon various factors like purity, place of origin, local demand and supply, etc.

As per the existing reward rules, a maximum amount of reward of Rs. 20,000/- per kg. for purity with 90% or more is payable to the officers responsible for seizure. The actual amount admissible would be computed on *pro rata* basis depending upon the purity of the drug seized.

**Repatriation of profits by Japanese businessmen**

\*1102. PROF. RAMKRISHNA MORE : Will the Minister of FINANCE be pleased to state :

(a) whether the leading Japanese businessmen have complained of dilatory procedures and difficulties in repatriating profits;

(b) whether Government are looking into the matter; and

(c) whether it will improve trade terms between the two countries ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) to (c). Certain complaints have been received from Japan regarding procedures and difficulties in repatriating profits of foreign investors. These are being looked into and problems are being solved. Improvement in investment climate will enable growth of trade between the two countries.

**Export commitments of Kothari General Foods**

10902. SHRI AMARSINH RATHAWA : Will the Minister of COMMERCE be pleased to state :

(a) the value and other details of export commitments of M/s. Kothari General Foods and by what time the exports were to be made;

(b) whether the company has violated its export commitments;

(c) if so, the details thereof; and

(d) the action being taken to ensure that the export commitments are fulfilled by the company ?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI PRIYA RANJAN DAS MUNSI) :** (a) M/s. Kothari General Foods Corporation Ltd. have undertaken an export obligation for a minimum value of Rs. 99.60 crores during the first 5 years and the export obligation

will be met by export of soluble coffee (freeze-dried) and (spray-dried) of its own manufacture and other licensed products. If for any reason, commencement of manufacture of freeze dried coffee is delayed the company shall export 60% of the value of production of freeze-dried coffee for a period of five years from the date of commencement of the manufacture of this item, irrespective of the date of commencement of such manufacture, i.e., whether the manufacture commences within the period of first five years of export obligation or subsequently.

Export obligation is extendable for a period of another five years at the discretion of the Govt.

Export obligation in this case commenced from 1.3.88 and will run upto 28th Feb., 1993.

(b) No, Sir.

(c) and (d). Do not arise.

#### Baitarani Gramin Bank

10903. SHRI HANNAN MOLLAH : Will the Minister of FINANCE be pleased to state :

(a) whether the Baitarani Gramin Bank, Orissa has violated promotion policy issued by the National Bank for Agriculture and Rural Development in consultation with Government and did not promote any employee of the bank or fill up the backlog of promotional quota; and

(b) the action taken by Government against the management for going to direct recruitment without honouring the backlog of promotional quota in violation of Government's directive ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). No, Sir. Baitarani Gramya Bank was set up in June, 1980 and the bank, it is reported, had started the promotion process from Junior Clerks having 4 years' experience/Service to the posts of Senior Clerks during December, 1985. However, the process had to be suspended because

of Stay Order granted by the Hon'ble Orissa High Court. Some of the Junior Clerks had completed six years of service by the time the Stay Order was vacated. Therefore, the Bank decided to promote them directly to the posts of Field Supervisors as per the NABARD instructions on promotion policy. Adopting due procedure, the Baitarani Gramya Bank has promoted 39 Junior Clerks to the posts of Field Supervisors on 27-02-1988.

As regards the promotion of Field Supervisors to the posts of Officers, the first batch of Field Supervisors was recruited during January, 1984 and none of them has completed the requisite minimum five years of service to become eligible for promotion. Similarly none of the Officers has become eligible for promotion as Area/Senior Manager.

#### Appointment of messengers in State Bank of India

10904. SHRI NATAVARSINH SOLANKI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that some interviews in the category of messenger (Group 'D' post) were held in August, 1987 in the State Bank of India in its local Head Office, Sansad Marg, New Delhi;

(b) whether eligible and selected candidates have been awaiting for their appointment;

(c) the reasons for not giving offer of appointment to the selected candidates so far; and

(d) the action taken/proposed to be taken by Government in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d). State Bank of India has reported that interviews were held in the month of August, 1987 in the Local Head Office, New Delhi of the bank for some posts in the category of Messengers (Group 'D'). Some candidates out of the merit list have since been appointed. Further appointments would be made as and when any sanctioned vacancy arises.

**Tripartite Committee for restructuring  
National Textile Policy**

**10905. SHRI MOHANBHAI PATEL :**

**SHRI LAKSHMAN  
MALLICK :**

Will the Minister of TEXTILES be pleased to state :

(a) whether a two-day convention of the Public Sector Textile Mills Employees Federation was held recently in Kanpur and which has suggested for setting up a high-power tripartite commission for restructuring the national textile policy;

(b) if so, the details of suggestions made by the Federation to solve the problems of textile industry and for the betterment of workers; and

(c) the reaction of Union Government thereto ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) to (c). A Statement is given below.

**Statement**

(a) Yes, Sir.

(b) Details of suggestions made by All India Public Sector Textile Mills Employees Federation in the convention held on 9th and 10th April, 1988, are as under :

(i) Restructuring of textile policy in order to ensure harmonious growth of various sectors of the textile industry and to protect the interests of lakhs of workers engaged in it.

(ii) Denationalisation of textile mills be done away with.

(iii) Constitution of a High Power Tripartite Commission consisting of economists, textile technologists, labour representatives and representatives from management to go into the present problems of the textile industry and to suggest measures for its development in the long-term perspective.

(c) Restructuring of the Textile Policy of June, 1985, is not considered necessary since it contains many significant features for integrated growth of the all sectors of the textile industry and protecting the interests of the workers. However, the Government have decided to appoint a Committee to review how textile policy has worked up till now. There is no proposal of Government of India at present to denationalise the public sector textile mills.

**Credit survey in Karnataka**

**10906. SHRI SRIKANTHA DATTA NARASIMHARAJA WADIYAR :** Will the Minister of FINANCE be pleased to state :

(a) whether a rural credit survey was conducted in Karnataka;

(b) the total amount of credit needed for the rural families in the State;

(c) whether similar survey is proposed to be conducted in other States; and

(d) if so, the steps taken in this regard ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):** (a) to (d). Under the Lead Bank Scheme, banks assess the credit requirements for priority sector lendings, on an annual basis, for preparation of the Annual Action Plans for all the districts in the country, including those in Karnataka. The aggregate target for bank credit under the Annual Action Plans, 1988 for various districts in Karnataka has been placed at Rs. 994 crores.

**Closed Jute Mills of Bengal**

**10907 PROF. NARAIN CHAND PARASHAR :** Will the Minister of TEXTILES be pleased to state :

(a) whether the attention of Government has been drawn to the news item published in the "Indian Express" dated April 17, 1988 (Delhi Edition) captioned "Bengal's closed Jute Mills";

(b) if so, the details regarding the Mills which have been closed and whether any efforts have been made to ensure their reopening; and

(c) if not, the reasons therefor and the likely date by which efforts would be initiated in this regard?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) and (c). A Statement indicating the details of the jute mills lying closed in West Bengal is given below. Under the Industrial Disputes Act, 1947 the State Govt. is the appropriate authority for dealing with cases of mills that are closed on account of labour disputes. The Central Government has been taking various measures from time to time for improving the working of the jute industry.

**Statement**

*List of Closed Mills in West Bengal*

S. No.	Mills	Date of Closure	Approx. number of workers affected
1.	Northbrook	27.1.1982	3500
2.	Empire	17.3.1985	3000
3.	Megna	15.4.1985	6200
4.	Shri Ambica	25.8.1986	3500
5.	Baramgore	3.11.1986	5500
6.	Fort William	27.3.1987	4000
7.	Naffarchandra	24.3.1987	2500
8.	Shree Hanuman	7.6.1987	3800
9.	Ganges	16.9.1987	6600
10.	Kanoria Jute	26.9.1987	2040
11.	Eastern Mfg. Co.	5.3.1988	2100
12.	Anglo-India	2.5.1988	5500
Total			48280

**Medium irrigation projects in M.P.**

10908. SHRI PARASRAM BHARDWAJ : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether some medium irrigation projects in favour of Madhya Pradesh are proposed to be approved by the Planning Commission during the remaining period of the Seventh Five Year Plan; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) and (b). Four medium projects have been considered acceptable by the Advisory Committee, subject to compliance by the State Government of certain observations.

Assistance from IDA for locating and boosting ground water resources

10909. SHRI JAGANNATH PATNAIK : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether there have been received any technical and financial assistance from the International Development Association (IDA) for locating as well as boosting ground water resources in various States in the country ; and

(b) if so, the details thereof alongwith the names of the States which have been selected for the above purpose and the amount of financial assistance to be provided to each selected State ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) Yes, Sir.

(b) A Statement is given below.

**Statement**

The following projects for the development of groundwater resources are presently under implementation with assistance from International Development Association :

Sl. No.	Name of the Project	State	Amount of IDA assistance (US \$ million)	Remarks
1.	Uttar Pradesh Public Tubewells Phase-II Project	Uttar Pradesh	101.00	—
2.	West Bengal Minor Irrigation Project	West Bengal	99.00	—
3.	Bihar Tubewells Project	Bihar	68.00	—
4.	Upper Ganga Modernisation Irrigation Project	Uttar Pradesh	125.00	Construction of tubewells is a component of the project.
5.	Chambal (MP) Irrigation-II Project	Madhya Pradesh	31.00	—do—
6.	Haryana Irrigation-II Project	Haryana	150.00	—do—

**Financial assistance by West Germany**

10910. SHRI P. M. SAYEED : Will the Minister of FINANCE be pleased to state :

(a) the total amount of financial assistance allocated by West Germany to India this year ;

(b) the details of terms and conditions of the agreement signed by the two countries ;

(c) the main purpose for which the amount is supposed to be utilised ; and

(d) the names of the general capital goods to be imported from West Germany under the agreement ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALERO) : (a) The total overall aid allocations

from the Government of Federal Republic of Germany to India for the year 1988

were upto DM 672.44 million with the following break-up :

(i) Govt. to Govt. soft loan

DM 448.44 million

This includes soft loan of DM 182 million to be blended with export credit.

(ii) Export Credit

DM 182.00 million

Corresponding to matching portion of Govt. to Govt. soft loan for projectised imports by way of mixed financing in 1:1 ratio.

(iii) Technical Assistance Programme

DM 42.00 million

100% Grant

(b) (i) Soft Loan : The terms are 0.75% rate of interest with 50 years' repayment including grace of 10 years,

(ii) Export Credit : It is provided on commercial terms and interest rate varies from 8 to 10% subject to a ceiling of 13%, with repayment period of about 10 years,

(iii) Technical Assistance Programme : It is 100% grant.

(c) The amount is to be utilised for General Commodity Aid, Capital Goods, Industrial Development Banks, Local Cost Aid for poverty alleviation and mixed financing of projects.

(d) Capital Goods and machinery approved by the Govt of India and endorsed by FRG appraisal authority KFW (wherever necessary) are eligible for financing under general Capital Goods segment. There is no prior identification of specific capital goods to be financed under this.

#### Appointment of Directors on contract basis

10911. SHRI SANAT KUMAR MANDAL : Will the Minister of COMMERCE be pleased to state :

(a) whether Directors in the State Trading Corporation (STC) and the Minerals and Metals Trading Corporation (MMTC) are engaged on contract basis ;

(b) if so, which are these Directors serving in the above two Corporations at

present, their tenure and other conditions of service and their emoluments ; and

(c) whether any rules or guidelines have been framed by his Ministry for the selection and appointment of such Directors on contract basis and if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) Directors in STC and MMTC are appointed by the President of India for such periods as the President may determine from time to time.

(b) The information regarding the whole time Directors presently serving in STC and MMTC, with their tenure, is given below :

*S.T.C.*

Dr. T. Prakash (upto 3rd July, 1989).

Shri R. Kuppuswamy (upto 16th Sept., 1991).

Shri B. K. Shroff (upto 16th Oct., 1991).

Shri A. K. Sen (upto 31st March, 1990).

*M.M.T.C.*

Shri S. K. Agrawal (upto 29th Dec., 1988).

Shri Bhupinder Singh (upto 28th Dec., 1988).

Shri R. Ganapathy (upto 28th Dec., 1988).

Shri I. P. Hazarika (upto 31st May, 1989).

These Directors were appointed in Schedule 'B' of scale of Pay of Rs. 400/- 125-4500.

Other terms and conditions of service covering residential accomodation, conveyance, provident fund and gratuity, leave, city compensatory allowance, medical facilities, travelling allowance, leave travel concession etc. are governed by the Rules of the Corporation in which they are working.

(c) Selection for the posts of Directors in STC and MMTC are made by the Public Enterprises Selection Board, keeping in view the job requirements and educational/technical qualifications and professional experience of the candidates.

**Loans to Weaker sections in Maharashtra Under DRDA Schemes**

10912. SHRI R. M. BHOYE : Will the Minister of FINANCE be pleased to state :

(a) the total amount of loans given to weaker sections of the society under District Rural Development Agency (DRDA) schemes by the nationalised banks during the last one year in Maharashtra ; and

(b) whether Government propose to extend these facilities during the current financial year also in view of the drought situation prevailing in that State ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) and (b). According to available information, during the year 1987-88 (upto February, 1988), commercial banks had disbursed an amount of Rs. 58.22 crores in Maharashtra to the beneficiaries under the Integrated Rural Development Programme sponsored by the District Rural Development Agency (DRDA). The Integrated Rural Development Programme is an on going programme for the entire duration of the Seventh Five Year Plan.

**Medium irrigation projects of Karnataka**

10913. SHRI H. B. PATIL : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether some medium irrigation projects in favour of Karnataka are proposed to be approved by the Planning Commission during the remaining period the Seventh Five Year Plan ; and

(b) if so, the details thereof ?

**THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) :** (a) and (b) There is no new medium irrigation project of Karnataka pending for appraisal and clearance at the Centre at present.

**Belgrade meet on GSTP**

10914. SHRI CHINTAMANI JENA : Will the 'Minister of COMMERCE' be pleased to state :

(a) whether India stands to gain considerably from the tariff concessions agreed upon at a ministerial meeting of the Negotiating Committee on Global System of Trade Preference (GSTP) held at Belgrade from April 11 to 13, 1988 ;

(b) the names of products covered by such concessions ;

(c) the names of the countries which participated in the GSTP meeting ; and

(d) the GSTP concessions agreed to be given by India and other countries ?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI PRIYA RANJAN DAS MUNSI) :** (a) to (d). Seventy-one countries (excluding organisations) as indicated in Statement I attended the Ministerial Meeting of the Negotiating Committee on the GSTP held in Belgrade. The first round of negotiations under GSTP concluded at this meeting and 48 countries exchanged tariff concessions.

The tariff concessions exchanged in the first round have been modest. The focus in the first round was on establishing the GSTP Agreement so that an instrument is

available to the developing countries to promote trade and economic cooperation among themselves. Some of the products of significant trade interest to us in respect of which tariff concessions have been granted and the extent of concessions are indicated in the Statement II. The products on which tariff concessions have been given by India and the extent of concessions are indicated in Statement III.

#### Statement I

##### List of countries which attended the Ministerial Meeting of Negotiating Committee on GSP

1. Afghanistan
2. \*Algeria
3. \*Angola
4. \*Argentina
5. Bahrain
6. \*Bangladesh
7. \*Benin
8. \*Bolivia
9. \*Brazil
10. Brunei Darussalam
11. Burundi
12. Burma
13. \*Cameroon
14. \*Chile
15. \*Colombia
16. Congo
17. Cote d' Ivoire
18. \*Cuba
19. Cyprus
20. Democratic Kampuchea
21. \*Democratic People's Republic of Korea
22. Democratic Yemen
23. \*Ecuador
24. \*Egypt

25. Ethiopia
26. Gabon
27. \*Ghana
28. \*Guinea
29. \*Guyana
30. \*Haiti
31. \*India
32. \*Indonesia
33. \*Iran (Islamic Rep. of)
34. \*Iraq
35. Jamaica
36. Kuwait
37. Lebanon
38. \*Libyan Arab Jamahiriya
39. Madagascar
40. \*Malaysia
41. \*Mexico
42. \*Morocco
43. \*Mozambique
44. \*Nicaragua
45. \*Nigeria
46. \*Pakistan
47. Palestine Liberation Organisation
48. Panama
49. \*Peru
50. \*Philippines
51. \*Qatar
52. \*Republic of Korea
53. \*Romania
54. Saudi Arabia
55. \*Singapore
56. Somalia
57. \*Sri Lanka
58. \*Sudan
59. \*Thailand

60. \*Trinidad &amp; Tobago

67. Yemen

61. \*Tunisia

68. \*Yugoslavia

62. Uganda

69. \*Zaire

63. \*United Rep. of Tanzania

70. Zimbabwe

64. \*Uruguay

71. Peoples Rep. of China

65. \*Venezuela

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\*Countries which have exchanged  
tariff concessions.

66. Vietnam

**Statement II****List of GSTP concessions of significant trade interest to India**

Country	Product	Tariff Concessions (Percentage Reduction) %
1	2	3
Algeria	Steel tubes	25
Bangladesh	Hand tools	05
Brazil	Cummin seed	40
—do—	Shellac	40
—do—	Gum Arabic	40
—do—	Vitamins	25-30
—do—	Antibiotics	25-40
DPRK	Pharmaceuticals	50
—do—	Cranes etc.	75
—do—	Transportation and construction machine	66.6
Egypt	Pumps for internal combustion engine	10
Iran	Tea in bulk	17.5
—do—	Hand tools	50
—do—	Padlocks	12.5
Libya	Rubber tyre	10
—do—	Leather footwear	20
Morocco	Tea	50
—do—	Jewellery	10

1	2	3
Nigeria	Antibiotics	25
—do—	Handtools	12.18
—do—	Machine tools	32
—do—	Trucks	75
Romania	Cashew nuts	50
—do—	Tea	20
—do—	Interchangeable tools	20
—do—	Graphite electrodes	34
—do—	Cycles	30
—do—	Cycle parts	30
Sri Lanka	Apples	16.6
—do—	Pneumatic tyres of specified weight	10
Thailand	Cotton fabric	10
—do—	Tubes and pipes of cast iron	10
—do—	Reciprocating pumps	10
—do—	AC generators	10
Tunisia	Tea	20
—do—	Unmanufactured tobacco	30
Viet Nam	Handtools	30
—do—	Medicines bulk drug	25
—do—	Jute products	25
Yugoslavia	Unmanufactured tobacco	40
—do—	Woven fabric of silk	30
—do—	Woven fabric of Jute	30
—do—	Taps, cocks valves etc.	40
—do—	Electrical starting and ignition equipment	30
Zaire	Pneumatic tyres	20

## Statement III

## Concessions granted by India

Tariff Item Number HS	Description of Product	Tariff concessions (Percentage reduction) %
1	2	3
1203	Copra	15
1301.10	Seed Lac	10
1301.20	Gum Arabic	30
1301.90	Gum Damar	10
1703.10	Cane Molasses	30
1703.90	Other Molasses resulting from extraction or refining of sugar	30
2505.10	Silica Sand and Quartz Sand (other than metal bearing sands of chapter 26)	25
2505.90	Natural sands of all kinds whether or not coloured, other than metal bearing sand of chapter 26 (other than silica sand and quartz sand)	25
2523.29	Portland Cement (Grey)	25
Ex 2617.10	Antimony Ore	10
Ex 2809.20	Phosphoric acid for use in fertilizer	20
Ex 3503.00	Gelatin and Gelatin derivatives	23
Ex 4104.21	Calf leather-vegetable pretanned	30*
Ex 4104.22	Calf leather-pretanned (other than vegetable pretanned)	30*
Ex 4104.29	Calf leather, tanned or retanned but not further prepared	30*
Ex 4502.00	Sheets of cork	25
5505.11 to 5505.45	Cotton Yarn	30
5305.21	Abaca fibre-raw	10

1

2

3

5305.29	Abaca fibre (other than raw)	10
Ex 6902.10	Refractory bricks containing by weight singly or together more than 50% of the elements, Mg, Ca or Cr expressed as Mg O, CaO or Cr <sub>2</sub> O <sub>3</sub> .	30
Ex 6902.20	Refractory bricks containing by weight more than 50% of Alumina (Al <sub>2</sub> O <sub>3</sub> ), of silica (SiO <sub>2</sub> ) or of a mixture or compound of these products.	30
Ex 6902.90	Other refractory bricks	30
7607.11	Aluminium foil of thickness not exceeding 0.2 mm rolled but not further worked (not backed)	20
7607.19	Aluminium foil of thickness not exceeding 0.2 mm other than rolled but not further worked (not backed)	20
7609.00	Tube and pipe fittings of aluminium	15
7611.00	Aluminium reservoirs, tanks, vats, etc. of a capacity exceeding 300 litres	15
7612.90	Aluminium casks, drums, cans, etc. not exceeding capacity of 300 litres excluding collapsible tubular containers.	15
8429.52	Mechanical shovels and excavators (self-propelled) with a 360° revolving super structure	20
8429.53	Other mechanical shovels and excavators (self-propelled)	20
Ex 9806.00	Refractory bricks of special shape imported as part of industrial furnaces	30

\*50% concession for least developed country Participants.

**Scraping of Textile Mills in Private Sector**

ping of 46 mills in the private sector ; and

**10915. SHRI NARAYAN CHOUBEY :**  
Will the Minister of TEXTILES be pleased to state :

(b) if so, the details and Government's decision thereon ?

(a) whether the Nodal Committee of the Textiles Ministry has suggested scarp-

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) The Nodal Agency constituted by Govern-

ment to examine sick textile units had come to the conclusion that 47 such mills were non-viable.

(b) The 1985 Textile Policy lays down that non-viable mills may have to close down permanently. These mills are located in 10 States. Granting of permission for permanent closure comes under the purview of State Governments/Union Territories Administrations concerned.

#### Export of Medicinal Plants

10916. **SHRIMATI GEETA MUKHERJEE** : Will the Minister of COMMERCE be pleased to state :

(a) whether it is compulsory for any enterprise to register itself with the Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council for the purpose of exporting medicinal plants including the cancer's Medicinal plants i.e., Vinca-Rosea, Periwinkle, Cantharanthus etc. ;

(b) if so, the names of the exporting enterprises registered with the above-mentioned Export Council for exporting different types of medicinal plants ; and

(c) the quantity and quality of a particular type of medicinal plant so exported by each enterprise to different

foreign companies, country-wise, and the foreign exchange earned during the last three years ?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) :** (a) Registration with Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council is required if exporter is interested to avail the REP licence against export.

(b) Total number of exporters registered with the Council for export of different types of medicinal plants (including crude drugs) is 60. A list of major exporters is given in the Statement below.

(c) Export data for individual items under the broad group of products or the exports made by individual exporters to different countries are not maintained. Medicinal plants/Crude drugs are mainly exported to USA, U.K., France, The Netherlands, Canada, Australia and Spain. During the years 1985-86, 1986-87 and April 1987 to February 1988 medicinal plants/crude drugs valued Rs. 66.29 crores, Rs. 57.95 crores and Rs. 60 crores, respectively were exported.

#### Statement

S. No.	Name of the Firm	Item of Export
1	2	3
1.	Allana Sons Pvt. Ltd. Allana House, 4, Allana Road, Colaba, Bombay 400 039.	Crude drugs
2.	Ashok Industries, Bindu Sarovar Road, Sidhpur 384 151.	Psyllium Husks
3.	Astra IDL Limited, Grescent Towers, 32/1-2, Grescent Road, Bangalore-560 001.	Psyllium Husks

1

2

3

4.	Govt. Opium & Alkaloid Factory, Saraswati House, 27, Nehru Palace, New Delhi-110 019.	Opium
5.	G. Das & Co. Pvt. Ltd., 82, South Avenimoola St., Madurai-600 021.	Senna Leaves
6.	Girdharilal Vithaldas Patel, S.R. Road, Sidhpur-384 151.	Psyllium Husks
7.	Hindustan Trading Corporation, 4, Hari Niwas, C-Road, Churchgate, Bombay-400 020.	Psyllium Husk/Seeds
8.-	Indo Exports, Bindu Sarowar Road, Sidhpur-384 151.	Psyllium Husk/Seeds
9.	Isabgol Export Corp., 71-B, Jolly Maker Apt., Cuffe Parade, Colaba, Bombay-400 005.	Psyllium Husk/Seeds
10.	International Traders, Majith Mandi, Amritsar.	Psyllium Husks
11.	Indisbgol Corp., State Highway, Kakosi Crossing, Sidhpur-384 151.	Psyllium Husks
12.	Jenson Enterprises, 34, New Thandavaraya Street, Madras-600 021.	Vinca Rosea
13.	Jai Industries, National Highway No. 8, Khali, Tal, Sidhpur.	Psyllium Husk/Seeds
14.	Keshavlal Vithaldas Patel, Gulab Park, Sidhpur-384 151.	Psyllium Husks
15.	K.V. Patel & Co., S.T. Road, Sidhpur-384 151.	Psyllium Husks

1

2

3

16.	K. Uttamal (Exports) Private Limited, 196/198 Samuel Street, Bhagwan Bhuwan, 1st Floor, P.O. Box : 5174, Bombay-400 009.	Psyllium Husks & Powder
17.	K.P V. Nair & Co., 60, Mcleod Street, Calcutta-700 017.	Crude Drugs
18.	Minex Agencies, 71, Ganesh Chander, Avenue, Calcutta-700 013.	Crude Drugs
19.	Murugan & Bros., 78, South Raja Street, Tuticorin-1.	Senna Leaves & Pods
20.	Motiwala Exports Ltd., 91, Mohamad Ali Road, Rangoonwala Building, Bombay-400 003.	Crude Drugs
21.	North Gujarat Sat Isabgoi Industries Pvt. Limited, Highway, Unjha-384 170.	Psyllium Husk/Seeds
22.	Navdeep Industries, Behind Market Yard, Sidhpur-384 151.	Psyllium Husk/Seeds
23.	Ponnu Saw Mills, South Cotton Road, P. B. No. : 105, Tuticorin-628 001.	Vinca Rosea Roots
24.	P.S. Shankaralinga Nadar, 50, P.S.S. Nadar St., Tuticorin-628 001.	Senna Leaves, Cassia Leaves, Zedovary Roots
25.	P.S S Exports, 52, P.S.S. Nadar St., Tuticorin-628 001.	Senna & Other Crude Drugs
26.	Ponselvam Traders, 315, South Cotton Road, Tuticorin-628 001.	Senna Pods, Senna Leaves, Vinca Rosea, Roots, etc.
27.	Shri T P. Shivanandan P.P.M. Thangaiah Nadar, Tuticorin-628 001.	Senna Leaves & Pods

1

2

3

28. Radharam Sohanlal,  
3, Mallick Street,  
Calcutta-700 007. Crude Drugs

29. Rajendra Brothers,  
Bindu Sarovar Road,  
Sidhpur-384 151. Psyllium Husks/Seeds

30. Shree Shyam Manohar Industries,  
E-38, IInd Phase,  
Marudhar Industrial Area,  
Basni-Jodhpur. Psyllium Husks

31. Sidhpur Isabgol Processing Co.,  
Bindu Sarovar Road,  
Sidhpur-384 151. Isabgol Seed/Husk

32. Shree Savinay Industries,  
Highway Char Rasta,  
Palanpur-385 002. Psyllium Husks

33. Satpal Kamal & Sons,  
Bindu Sarovar Road,  
Sidhpur-384 151. Psyllium

34. Shree Suvas Industries,  
Highway Char Rasta,  
Palanpur-385 002. Psyllium Husks

35. Shree Swati Export Corporation,  
Highway Char Rasta,  
Palanpur-385 002. Psyllium Husks/Seeds

36. Searle (India) Ltd.,  
Rali House,  
21, Sukhadwala Marg,  
P.O. Box : 233,  
Bombay-400 001. Psyllium Husks,  
Senna Leaves

37. Urvesh Psyllium Inds.,  
Bindu Sarovar Road,  
Sidhpur-384 151. Psyllium Husks

38. Vadilal Vithaldas Patel,  
S.T. Road,  
Sidhpur-384 151. Psyllium Husks

39. Vijay Industries,  
National Highway No. 8,  
Khal, Tal, Sidhpur,  
Dist. Mehsana. Psyllium Husks

**Export of Cotton Under Barter Deal**

10917. SHRI PRAKASH V. PATIL : Will the Minister of TEXTILES be pleased to state :

(a) whether the export of cotton has shown improvement in creating new markets ;

(b) if so, the details thereof during the last three years ;

(c) how much of cotton is being exported under the barter deals ; and

(d) to what extent these have helped to create new markets ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) and (b). The details of export of cotton during the last three years are as under :

Year	Quantity (in lakh bales)
1984-85	1.86
1985-86	4.41
1986-87	13.81

The exports have been traditionally to Japan South, Korea, Hong-Kong, Poland, etc. However, in 1986-87 new markets were developed in Turkey, Singapore, Sri Lanka, Belgium etc.

(c) Exports of staple cotton have been suspended during the current cotton year and no cotton has been exported in barter deals.

(d) Does not arise.

**Notices to Housing Societies in Delhi by Income Tax Authorities**

10918. SHRI KRISHNA SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Income-Tax authorities have lately served notices under Income-Tax Act on some Cooperative Housing Society/Societies in East

Delhi to collect information regarding members of respective Society/Societies who have transferred their plots of land allotted to them through the power of attorney ; if so, the details thereof ;

(b) the Societies from which such information has already been collected ;

(c) the action taken by Government in the matter ; and

(d) whether investigations have been or are proposed to be launched into these transactions as to assess the quantity of black money which changed hands and the extent of such money used for building construction on such plots ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) :** (a) No Sir.

(b) and (c). Do not arise.

(d) Investigation is made when specific cases of generation of black money through land transfer transactions come to the notice of the Department.

**Appointment of Probationary Officers in Allahabad Bank**

10919. SHRI RADHAKANTA DIGAL : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that many candidates selected for the post of probationary officers for Allahabad Bank have not been appointed or posted so far ;

(b) if so, the reasons therefor ;

(c) whether the appointments have been banned by his Ministry ;

(d) if so, why the interview and tests were conducted ; and

(e) the steps taken to expedite their appointments?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO PALEBIO) :** (a) to (e). Allahabad Bank has reported that

appointment is being given to all candidates selected for the post of Probationary Officers for which pre-recruitment formalities are in progress.

**Misutilisation of Loans Advanced under SEEUY and SEPUP Schemes**

**10920. SHRI DHARAM PAL SINGH MALIK :** Will the Minister of FINANCE be pleased to state :

(a) whether some cases of misutilisation of the loans sanctioned under Self Employment for Educated Unemployed Youth and Self-Employment Programme for Urban Poor Schemes have come to light, if so, the number of such cases and action taken against those who misutilised the loans ;

(b) the number of cases of misappropriation of loan amount in which FIR has been lodged with police authorities and in how many such cases action has been taken by the police authorities ; and

(c) the number of cases of misutilisation of loan amount in which the subsidy amount has been withdrawn ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) Reserve Bank of India (RBI) has reported that no specific allegation regarding mis-utilisation of loans sanctioned under the scheme for Self Employment for Educated Unemployed Youth (SEEUY) and Self Employment Programme for Urban Poor (SEPUP) has been brought to its notice. An evaluation study under SEEUY conducted by the Development Commissioner, Government of India, Ministry of Industry during 1985 covering 26 States/Union Territories revealed that the beneficiaries were able to set up units in 76% of the cases where the loan amounts had been disbursed by the banks. Sample studies conducted by certain banks and a State Government in a few districts have revealed that bank loans were misutilised or the beneficiaries were untraceable in cases varying from 9% to 47.6%. As per instructions issued by Reserve Bank of India, borrowers who misutilise the loan amount under SEEUY and

SEPUP are not entitled to benefits of subsidy and the concessional rate of interest. Banks can also recall the loans in such eventualities as per the normal banking practice.

(b) and (c). Reserve Bank of India has reported that its data reporting system does not generate the information relating to number of cases of misutilisation of loan and reports lodged with police authorities

**Loans Advanced by Punjab and Sind Bank**

**10921. SHRI V. TULSIRAM :** Will the Minister of FINANCE be pleased to state :

(a) the total number of branches of the Punjab and Sind Bank in the Union Territory of Delhi together with location thereof ;

(b) the total amount of loans granted by each branch during the last three years, year-wise ;

(c) the number of persons granted loans during the above period, branch-wise and year-wise, and purposes for which the loans were granted ;

(d) the total amount of loans recovered, branch-wise, during the last three years ;

(e) the details of applications for loans rejected and reasons therefor, year-wise and branch-wise, during the last three years ;

(f) whether Government are aware of complaints about discrimination being made by some officers in different branches of the bank in granting loans ; and

(g) if so, the action taken/proposed to be taken in this regard ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :**

(a) to (e). Details of the 48 branches of Punjab & Sind Bank functioning in the

Union Territory of Delhi and the outstanding advances of these branches as at the end of December 1985, 1986 and 1987 are set out in the Statement below. The present data reporting system does not yield further branch-wise details in the manner asked for.

(f) and (g). Banks are required to scrutinise all applications for loans on the basis of their viability and in accordance with the guidelines issued by Reserve Bank of India and are not expected to show any discrimination in granting loans.

**Statement**

(Amount in Lakhs)

Sl No	Name of the branch	Advances outstanding as on		
		31-12-85	31-12-86	31-12-87
1	2	3	4	5
1.	Green Park	156.26	157.77	169.08
2.	Hemkunt Colony	196.73	374.14	440.96
3.	Janakpuri	113.94	125.58	141.70
4.	Kailash Colony	230.10	260.43	432.39
5.	Karol Bagh	205.97	192.73	219.30
6.	Motia Khan	109.81	110.33	120.34
7.	Kirti Nagar	8.51	14.83	30.71
8.	Paharganj	149.46	152.68	159.91
9.	Rajouri Garden	164.23	170.20	185.86
10.	Patel Nagar	55.80	63.99	63.77
11.	Tilak Nagar	84.56	92.06	94.89
12.	Defence Colony	199.27	231.67	260.35
13.	Roshanpura	24.98	27.50	25.27
14.	G-Block, Con Place	1120.73	1188.47	1230.09
15.	Jangpura	89.07	95.44	95.16
16.	Madanpur Khadar	11.67	10.47	13.53
17.	New Friends Colony	104.42	100.17	87.22
18.	Mayapuri	235.83	257.75	272.45
19.	Nehru Place	885.33	1271.36	1147.20
20.	Asaf Ali Road	60.62	169.81	200.27
21.	Safdarjang Enclave	102.92	80.80	83.62

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22.	M-Block, Con. Place	169.73	159.32	169.94
23.	Vasant Vihar	66.70	66.81	74.36
24.	Okhla	11.24	30.98	68.77
25.	Pachimpuri	22.64	26.37	41.44
26.	Rajindra Place	23.68	76.53	126.99
27.	Sidhartha Enclave	30.96	40.91	45.76
28.	Janpath	973.11	1053.25	909.15
29.	Naraina	617.58	631.72	659.45
30.	IBD New Delhi	3830.71	4649.07	4950.96
31.	H-Block, Con. Place	4216.67	4530.43	4849.47
32.	Fountain	337.75	338.44	391.00
33.	Malkaganj	143.88	129.26	125.51
34.	Pira Garbi	25.77	27.47	37.37
35.	Singola	25.05	29.56	31.72
36.	Sadar Bazar	136.00	131.62	143.06
37.	Gujranwala Town	132.63	109.28	141.95
38.	Roshanara Road	470.12	488.20	470.34
39.	Anand Vihar	32.22	42.10	37.49
40.	Babarpur	42.14	55.22	64.64
41.	Daryaganj	8.73	13.95	25.18
42.	Chawri Bazar	68.56	70.20	72.63
43.	Geeta Colony	1.17	4.57	6.59
44.	Azadpur	82.48	78.69	92.32
45.	Fatehpuri	72.34	63.66	65.78
46.	Kashmere Gate	448.00	506.15	530.93
47.	Naya Bazar	124.47	116.02	136.71
48.	Krishan Nagar	40.76	41.03	44.38

Total : 16465.31 18658.99 19787.96

**Cultivation of Silk and Tasar in Bihar**

**10922 SHRI SHAHABUDDIN :** Will the Minister of TEXTILES be pleased to state :

(a) the total area under cultivation of silk and tasar in Bihar during the last three years ;

(b) the total production of silk and tasar in Bihar ; and

(c) the relative advantage to the farmers in shifting to silk production as compared to normal agriculture ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) and (b). The area under cultivation and production of tasar and mulberry silk in Bihar during the three years 1984-85 to 1986-87 is as under :

Year	Area (in hectare)		Production (in tonnes)	
	Tasar	Mulberry	Tasar	Mulberry
1984-85	9,40,500	261	290	8
1985-86	9,40,500	385	331	9
1986-87	9,40,600	525	438	16

(State-wise tasar and mulberry production details for the year 1987-88 have not yet been compiled).

(c) Mulberry sericulture gives a high return which is around Rs 20,000 per hectare of irrigated mulberry and Rs. 6000/- to Rs. 8000/- per hectare of rainfed mulberry per annum. This is a relatively good return as compared to normal agricultural crops.

**Loans to Farmers**

**10923. SHRI GURUDAS KAMAT :** Will the Minister of FINANCE be pleased to state :

(a) the estimated amount of loans that the farmers take every year from the banks and other authorised financial agencies ;

(b) the net benefit likely to accrue to the farmers in terms of the total loan amount by the concessions on interest rates recently announced in the 1988-89 Central Budget ; and

(c) the amount at present outstanding against the farm sector, indicating the amount of principal and the interest, separately ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) to (c). According to available information, the outstanding agricultural advances of commercial banks and cooperative credit institutions were Rs. 19264.3 crores as at the end of June 1986 and Rs. 21960.5 crores as at the end of June 1987. Thus, the incremental outstanding credit was of the order of Rs. 2696.2 crores during the year ending 30.6.1987. The existing information system does not generate separate information relating to outstanding principal and interest amounts. Interest rates have been reduced with effect from 1.3.1988 on short-term agricultural loans. Farmers availing of such loans upto Rs. 15,000/- would benefit to the extent of the reduction in the rate of interest as per details indicated below :

Short-term agricultural loans to farmers	Rate of interest	
	(% per annum)	
	Upto end of February 1988	Effective from 1.3.1988
Upto Rs. 5,000/-	11.5	10.00
Over Rs. 5,000/- and upto Rs. 7,500/-	12.5	10.0
Over Rs. 7,500/- and upto Rs. 10,000/-	12.5	11.5
Over Rs. 10,000/- and upto Rs. 15,000/-	12.5 to 14.0	11.5

The reduction in these rates would benefit an overwhelming proportion of farmers to the extent of the concessionality in the revised rates of interest. The exact quantum of benefit to farmers would depend upon the quantum of loan taken, period for which loans is taken and repaid etc.

**Promotion policy in Nationalised Banks**

**10924. SHRI BANWARI LAL BAIRWA** : Will the Minister of FINANCE be pleased to state :

(a) the salient features of the policy for promotion from clerical to officer grade being adopted and followed by each of the nationalised banks, separately;

(b) whether there is any provision for giving promotion to an employee from clerical to officer grade after continuous service of eight years without passing written test;

(c) if so, the names of the banks following this provision and which banks are not following it;

(d) whether it is proposed to advise all the nationalised banks to give promotion from clerical to officer grade to employees who have rendered eight years of service; and

(e) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (e). All banks have formulated promotion policies containing eligibility criteria and procedure for promotion of clerical staff to officers cadre within the purview of bank level settlements. The broad guiding principles observed in the promotion process of clerical staff to officers cadre, *inter alia*, are that the proportion of vacancies to be filled by direct recruitment to the officers cadre shall not exceed 25% of the vacancies occurring in any year in that cadre. For the remaining 75% of the vacancies the selection is made from amongst employees working in the clerical cadre. The eligibility criteria for participation in the selection process may be decided by each bank having regard to its special requirements. The criteria are, however, generally determined on the basis of length of service, educational qualifications and professional qualifications such as CAIIB. Most of the banks have to channels of promotions one seniority based and other is merit based and follow the instructions of Government regarding reservations.

Since promotion policy of public sector banks from clerical cadre to officers cadre is framed by the individual banks in terms of its settlements with the unions, Government have no proposal at present to issue any instructions to banks to give promotion

to all those clerks who have rendered 8 years of service, to the Officers' cadre.

**Bank Loans under credit camps and rural Development Schemes**

**10925. SHRI INDRAJIT GUPTA :** Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Chairman of public sector banks have criticised the credit camps and demanded that banks should be the sole authorities in deciding the beneficiaries under rural development schemes; and

(b) if so, the details thereof and Government's reaction to their views ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):** (a) and (b) The Reserve Bank of India (RBI) has informed that in the reports submitted to it by the various Chairmen of Public Sector Banks after their field visits, it was indicated that due to several deficiencies in the functioning of District Rural Development Agencies (DRDAs) and District Industries Centres (DICs), the quality of bank lending was becoming poorer. The RBI further reported that they have no information of any criticism regarding credit camps. The Chairmen of Public Sector Banks had suggested that the selection of beneficiaries under Integrated Rural Development Programme (IRDP) and under the Scheme for providing Self-Employment to Educated Unemployed Youth (SEEUY) be delinked from the DRDAs and DICs respectively and be left to the committee of bankers, to avoid the multiplicity of agencies dealing with the financing of these programmes

**Change of accounting year by Income Tax Officer**

**10926. SHRI DAULATSINHJI JADEJA :**

**SHRI SITARAM J. GAVALI :**

Will the Minister of FINANCE be pleased to state :

(a) whether any guidelines have been given to the Income Tax Officers for allow-

ing the request of assessees for a change in the financial year;

(b) if so, the details thereof; and

(c) whether CBDT has detected any cases in the last two years where discretion has been wrongly used by the Income Tax Officers and if so, the details thereof ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI AJIT KUMAR PANJA):** (a) and (b). Yes, Sir. Guidelines have been issued by the Central Board of Direct Taxes to its Officers from time to time on the subject of allowing a change in the 'previous year'. Briefly stated these are :

(i) an application should be obtained from the assessee for a change in his previous year; (ii) the ITO should satisfy himself that the change has been sought on substantial grounds and that it does not lead to evasion of tax and (iii) a formal order should be passed by the ITOs permitting such a change alongwith conditions imposed, if any.

(c) 7 cases have been reported to the Board where the discretion for allowing a change in the previous year can be said to have been allegedly wrongly exercised.

**Import of Viscose Fibre**

**10927. SHRI RAM BHAGAT PASWAN :** Will the Minister of TEXTILES be pleased to state :

(a) whether Government propose to liberalise import of Viscose Fibre to enable small consumers and stop black marketing by its indigenous manufacturers; and

(b) if not, the reasons therefor ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) Import of Viscose Staple Fibre is on OGL. The import duty on Viscose Staple Fibre has been reduced in the budget for 1988-89.

(b) Does not arise.

## Short-term loans to Farmers

10928. SHRI SOMNATH RATH : Will the Minister of FINANCE be pleased to state :

(a) the amount of short-term loans advanced during 1986-87 and 1987-88 to small and marginal farmers under the Integrated Rural Development Programme and Economic Rehabilitation of Rural Poor Programme, State and Union Territory-wise;

(b) the amount of mid-term loans advanced to the weaker sections with subsidy in above two years, State and Union Territory-wise; and

(c) the propose for which the bulk of mid-term finance is issued ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). State-wise/Union Territory-wise details of term credit and subsidy disbursed under the Integrated Rural Development Programme (IRDP) during 1986-87 and 1987-88 are given in the Statement below. The present data collection system relating to IRDP does not yield information based on land holdings and activities taken up by the beneficiaries and their economic rehabilitation. However animal husbandry, minor irrigation, small business, animal-driven carts and other bankable economic activities in the primary, secondary and tertiary sectors are provided assistance under IRDP.

## Statement

(Rs. in lakhs)

Sl. No.	Name of the States/ Union Territories	1986-87		1987-88	
		Subsidy disbursed	Term credit disbursed	Subsidy disbursed	Term credit disbursed
1	2	3	4	5	6
1.	Andhra Pradesh	3986.13	7098.80	4501.43	8517.30
2.	Arunachal Pradesh	225.48	16.38	83.01	10.41
3.	Assam	1475.44	2537.88	966.40	1380.98
4.	Bihar	6697.04	14208.59	9012.44	18034.95
5.	Goa	83.47	181.33	36.21	204.52
6.	Gujarat	1720.35	3216.46	1561.75	3096.30
7.	Haryana	720.04	1494.17	779.81	1627.68
8.	Himachal Pradesh	515.69	809.94	379.77	738.23
9.	Jammu & Kashmir	401.98	779.20	318.31	753.91
10.	Karnataka	1816.81	4190.94	2234.19	5252.76
11.	Kerala	2010.98	4189.60	1575.02	3370.15

1	2	3	4	5	6
12.	Madhya Pradesh	4570.57	11641.96	3694.96	11933.56
13.	Maharashtra	3481.32	7282.27	4224.97	9417.10
14.	Manipur	238.79	96.52	119.23	65.07
15.	Meghalaya	387.50	—	109.31	47.58
16.	Mizoram	243.13	—	213.66	N.A
17.	Nagaland	88.66	59.75	168.69	82.47
18.	Orissa	2205.86	3747.95	1876.96	4679.11
19.	Punjab	1250.33	2985.92	828.72	2141.58
20.	Rajasthan	2015.60	3474.87	2146.87	4104.80
21.	Sikkim	24.38	65.59	24.36	64.33
22.	Tamil Nadu	3630.21	7415.46	3962.49	8374.05
23.	Tripura	326.06	655.79	401.20	694.73
24.	Uttar Pradesh	9332.92	18535.31	11527.13	21534.73
25.	West Bengal	3426.87	6384.22	3244.85	6220.65
26.	A & N Islands	48.22	74.33	23.68	65.64
27.	Chandigarh	1.73	4.86	0.20	1.44
28.	D & N Haveli	15.29	32.27	7.78	15.99
29.	Delhi	61.74	192.56	35.99	114.88
30.	Daman & Diu	—	—	6.18	19.18
31.	Lakshadweep	13.45	5.74	14.49	18.86
32.	Pondicherry	57.05	109.78	18.82	37.64
All India		51073.09	101488.44	54119.38	112620.58

**Representations against Malpractices  
in giving Loans in Bihar**

**10929. SHRI BASUDEB ACHARIA :**

**SHRI BHATTAM SRIRAMA-  
MURTY :**

**SHRI ANIL BASU :**

Will the Minister of FINANCE be pleased to state :

(a) whether any representation has been received regarding loan scandal in Bihar involving more than Rs. 587 crores of public money ;

(b) if so, the details of the said representation ; and

(c) the action taken by Government in this regard ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) :** (a) No, Sir.

(b) and (c). Do not arise.

**Loan Scheme formulated by Government of Bihar**

**10930. SHRI SAIFUDDIN CHOWDHARY :** Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware of a Rs. 587 crore loan scheme formulated by the Govrnmnt of Bihar ;

(b) whether the said loan is not reaching the genuine farmers and irregularities are being committed in the distribution of loan ; and

(c) if so, the action taken/proposed to be taken by Government in this regard ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) :** (a) No, Sir.

(b) and (c). Do not arise.

**Bungling in Kota branch of State Bank of Indore**

**[Translation]**

**10931. SHRI MANVENDRA SINGH :** Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that officers of State Bank of Indore at Kota had committed bungling in loan accounts to increase the deposit figure and had sent the inflated figures to its Head Office by making bogus deposits in December, 1986 and December, 1987 ;

(b) if so, the reasons for making wrong entries in these two years ;

(c) the number of branches of the bank in which loan accounts were thus

wrongly debited to show increase in deposit in the yearly closing of the year 1986 ; and

(d) the reasons for fall in the deposits in first week of January, 1988 ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) to (d). According to the information available from Reserve Bank of India (RBI), the State Bank of Indore has reported that during the year ending December 1986 and December 1987, no deliberate window-dressing was resorted to at any of its branch. The fluctuations in deposit figures were caused by normal business transactions. Reserve Bank of India has further reported that they have very recently received a complaint from an ex-employee of the bank, alleging that Kota branch had inflated the deposit figures during the year 1985-86 and the same is being looked into.

**[English]**

**Fraud in Traders Bank Ltd.**

**10932. SHRI KAMLA PRASAD SINGH :**

**PROF. MADHU DANDAVATE :**

Will the Minister of FINANCE be pleased to state :

(a) whether the attention of Government has been drawn to the new item captioned "RBI pulls up bank for fraud of Rs. 113 lakh" appearing in the Indian Express of 6 March, 1988 ;

(b) whether Government propose to undertake an enquiry into the modus operandi adopted in the case with a view to ensure that the same does not recur in other private commercial banks ; and

(c) if so, the details thereof ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) Yes, Sir.

(b) and (c). Reserve Bank of India has been asked to look into the matter and take appropriate action as considered necessary.

**FERA violation by V.G. Panneerdas & Company**

10933. SHRI K. RAMAMURTHY : Will the Minister of FINANCE be pleased to state :

(a) whether any complaints have been received about violation of Foreign Exchange Regulation Act (FERA) by M/s. V.G. Panneerdas and Company and their associate companies who have collected money from the Non-resident Indians abroad for 'Own-Your House' schemes in Madras and elsewhere in Tamil Nadu ;

(b) whether any control is exercised by the Reserve Bank of India over the foreign exchange deposits of these companies and if so, the details thereof ; and

(c) the details of the action taken against complaints from Non-resident Indians about non-fulfilment of contractual obligations by these companies in regard to house and flats ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) to (c). R B I , Madras had received a complaint from one Shri P Rajendran Nair, a non-resident Indian, for refund of initial deposit made by him for purchase of a flat from M/s. V.G P. Housing (P) Ltd, which he subsequently decided to withdraw for personal reasons. In terms of the existing Exchange Control Regulations, non-resident Indians can acquire residential property out of their inward remittance, without approval of R.B.I. The matter relating to selling immovable properties by these companies to non-resident Indians by accepting advance payment from them are being looked into by R.B.I.

**[Translation]**

**FERA violation by issue of bogus passports**

10934. SHRI KALI PRASAD PANDEY : Will the Minister of FINANCE be pleased to state :

(a) whether cases of violation of Foreign Exchange Regulation Act (FERA) by way of issuing bogus passports on large scale are now coming to light ;

(b) if so, the number of such cases which have come to light since January, 1987 to date in which people have been found guilty in connection with bogus passports and for violating the Foreign Exchange Regulation Act ; and

(c) the details of the action taken by Government in this regard and the number of persons against whom cases are pending with Government and CBI who are conducting inquiry ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) to (c). The Madras Special Crime Branch of the Central Bureau of Investigations has taken up investigations of 7 cases (4 in 1987 and 3 in 1988) in which the accused had used the forged/ fictitious passports for obtaining foreign exchange. The Directorate of Enforcement (FERA) have also detected 2 cases where 28 tempered passports had been used for release of Foreign Exchange. Investigations in all these cases are in progress. Appropriate action under the law will be taken on completion of investigations.

**Editorial staff for Bhagirath (Hindi)**

10935. DR. G. S. RAJHANS : Will the Minister of WATER RESOURCES be pleased to state :

(a) when the Bhagirath (Hindi) was brought out first and what were its objectives ;

(b) the names of the editorial staff who brought out the first issue of the Bhagirath ;

(c) whether it is a fact that its special issues were also brought out and if so, the names of persons who had edited and compiled this issue ;

(d) whether it is a fact that there is an undue delay in bringing out the journal ;

(e) if so, the reasons therefor ; and

(f) the measures taken or proposed to be taken to bring about improvement in publishing the journal on time ?

**THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) :** (a) Bhagirath (Hindi) was first brought out in 1974 with the objective of disseminating, in Hindi, information on water resources development issues and subjects and to ensure wider circulation of information.

(b) The Editorial staff which brought out its first issue included S/Shri Radha Kant Bharti, the then Hindi Officer and K. A. Joshi, Professional Assistant in the Central Water Commission.

(c) 10 special issues have been brought out. Names of the persons who edited and compiled them are given in the statement below.

(d) No, Sir.

(e) and (f). Do not arise.

#### Statement

Sl. No.	Year	Name of the Special Issue	Officer In-charge of Editing
1.	Jan , 1975	World Hindi Conference	Sh. Devandra Prasad Sharma, Assistant Editor.
2.	Jan-March, 1979	Maharashtra	Sh. Radha Kant Bharti, Assistant Editor.
3.	Jan-March, 1980	Uttar Pradesh	Sh. Radha Kant Bharti, Assistant Editor.
4.	Jan-June, 1980	Bihar	Sh. Radha Kant Bharti, Assistant Editor.
5.	Oct.-Dec. 1982	Gujarat	Sh. Radha Kant Bharti, Assistant Editor.
6.	July-Sept. 1983	World Hindi Conference	Sh. Radha Kant Bharti, Assistant Editor.
7.	Jan-March 1984	Rajasthan	Sh. Radha Kant Bharti, Assistant Editor.
8.	April-June 1987	Madhya Pradesh	Sh Radhey Shyam Goel, Deputy Director. Sh. Radha Kant Bharti, Assistant Editor.
9.	July-Sept. 1987	Water Resources Day.	Sh. Radhey Shyam Goel, Deputy Director. Sh. Radha Kant Bharti, Assistant Editor
10.	Jan-March, 1988	National Water Convention.	Sh. Bhagwan Dass Pateria, Deputy Director,

**[English]****IFAD Aid for Projects in Orissa**

**10936. SHRIMATI JAYANTI PATNAIK :** Will the Minister of FINANCE be pleased to state :

(a) whether the International Fund for Agricultural Development (IFAD) propose to assist some projects in Orissa ;

(b) if so, the details thereof ;

(c) whether some other projects in the country have already been implemented with IFAD assistance ;

(d) if so, the State-wise location of those projects ; and

(e) the details of the assistance obtained for those projects ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) and (b). The International Fund for Agricultural Development (IFAD) has extended a loan of US \$ 12.2 million for a Tribal Development Project in Orissa through an agreement signed on 4.2.1988. The Project is located in Kasipur Block of Koraput District, and is intended to achieve a sustainable economic upliftment of the tribal population in the area, through investments in agricultural production, rural infrastructure, natural resource development and human resource development.

(c) to (e). Details of assistance obtained from IFAD for other projects and the States in which they are located are as follows :

Project	State	Loan Amount (\$ Million)	Date of Agreement
1. Bhima Command Area Development	Maharashtra	50.00	11.10.1979
2. Rajasthan Command Area Development and Settlement	Rajasthan	55.00	4.1.1980
3. Sundarbans Development	West Bengal	17.50 *	16.12.1980
4. M.P. Medium Irrigation	Madhya Pradesh	25.06	25.6.1982
5. Second U.P. Public Tubewells	Uttar Pradesh	35.30	28.7.1983

**Loans for Construction of Hotels**

**10937. SHRI BIMALKANTI GHOSH :**

**SHRI BHADRESWAR TANTI :**

Will the Minister of FINANCE be pleased to state :

(a) whether there is any criteria for grant of loans to private entrepreneurs for

construction of hotels ; and

(b) if so, the terms and conditions thereof and the details of loans sanctioned in 1986-87 and 1987-88 ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) and (b). The Industrial Development

**Bank of India (IDBI)** has reported that the terms and conditions of assistance by the financial institutions to Hotel projects are the same as for other industrial projects assisted by them. Institutions generally follow the norms of debt equity ratio of 2 : 1 and minimum promoters' contribution ranging from 17.5% to 22.5% of the project cost depending upon the location of the project. The rate of interest, commitment charge, security, repayment, conversion option, right to appoint nominee etc. are as applicable to any other

industrial project assisted by institutions. Hotel units are also eligible for interest rebate of 20% of the interest payments in the year (subject to a floor rate of 10% p a) on their foreign exchange earnings in the year reaching or exceeding 50%/25% of their gross earnings (net of taxes) for 5 star/other star categories respectively. Details of assistance sanctioned by All-India term lending institutions namely, IDBI, IFCI and ICICI to Hotel industry during the years 1986-87 & 1987-88 are given below :

(Rs in lakhs)

Institutions	April-March 1986-87	April-March 1987-88
IDBI	7823.00	10922.00*
IFCI	1387.00	1849.62
ICICI	732.00	2026.00

\*Data provisional.

**Janata cloth through Public Distribution System in Delhi**

**10938. SHRI C. SAMBU :** Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that the Janata cloth is made available to the consumers through Public Distribution System in Delhi ;

(b) if not, the reasons thereof ; and

(c) the measures being taken to make Janata cloth available to consumers in Delhi ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :**  
(a) Janata cloth is made available to consumers in Delhi through the outlets of the following agencies :

(i) **Delhi State Consumers' Cooperative Wholesale Store Ltd.**

(ii) **Delhi State Civil Supplies' Corporation Ltd.**

(iii) **Delhi State Cooperative M&S Federation Ltd.**

(iv) **Delhi Fruit & Vegetable Consumers' Cooperative Federation Ltd.**

The agencies at (i), (ii) and (iv) above are authorised to undertake distribution of essential commodities.

(b) Does not arise.

(c) As the Union Territory of Delhi does not produce Janata cloth, surplus production of Janata cloth in other States is supplied for consumption in the Union Territory of Delhi. During 1987-88, 2 million square metres of Janata cloth was supplied from Uttar Pradesh for consumption in the Union Territory of Delhi.

**EEC projects in India**

**10939. SHRI S. M. GURADDI :** Will the Minister of FINANCE be pleased to state :

(a) whether European Economic Community (EEC) has undertaken two projects

in India as part of its continuing economic cooperation with this country ;

(b) if so, the details of the projects that will be financed ;

(c) to what extent finance will be made available to them ; and

(d) when the financing of this project will be started ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :

(a) Yes, Sir

(b) and (c) The two projects that have been taken up are :

(i) Kerala Coconut Development Project : Out of a total cost of ECU 58.6 million, EEC contribution is ECU 45.0 Million. Financing Agreement concluded on 25.3.88.

(ii) Tamil Nadu Sheep Development Project : Out of total cost of ECU 9.6 million EEC contribution is ECU 6.1 million. Financing Agreement concluded on 11.4.88.

(d) Financing of these projects has started from the date of signing the agreements.

#### Racket in Dry Fruit Import

10940 SHRI SURESH KURUP :

SHRI R.P. DAS :

SHRI ANANDA PATHAK :

SHRI MOHANBHAI PATEL :

SHRI CHINTAMANI JENA :

Will the Minister of COMMERCE be pleased to state :

(a) whether Government are aware that there is big racket in the import and trading of dry fruit in the country as reported in the 'Economic Times' dated 25 December, 1987 ; and

(b) if so, the steps being taken to eliminate the illegal trade ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) and (b). Government's attention is drawn to the report regarding dry fruits as it appeared in 'Economic Times' dated 25th December, 1987. Under the policy, sale of import licences for dry fruits is not allowed and any violation in this regard is dealt with in accordance with the provisions of Imports and Exports (Control) Act, 1947 and Imports (Control) order, 1955. However, a licence holder can appoint another person as his agent for arranging the imports permitted by the licence. The functions of such holders of letter of authority are limited to placing orders, opening letters of credit, making remittance of payment for importing the goods, arranging movement and clearing the same through the Customs having regard to Sec. 147 of the Customs Act, 1962 on behalf of the licences.

#### Industrial Sickness

10941. SHRI R.P. DAS :

SHRI ANIL BASU :

SHRI SAIFUDDIN CHOWDHARY :

Will the Minister of FINANCE be pleased to state :

(a) whether according to the Reserve Bank of India the main reason for sickness of industrial units in the country is deficiency in management ;

(b) if so, the reaction of Government thereto ; and

(c) the action proposed to be taken by Government to improve managerial efficiency in industrial units ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). The Reserve Bank of India has reported that a combination of factors contribute

to industrial sickness which include improper project planning and implementation, obsolete machinery, delay in modernisation of units, managerial incompetence, mismanagement, power shortages, market constraints, labour problems, etc.

Guidelines have been issued by RBI to banks from time to time impressing upon them, inter-alia, the need for identification of sickness at incipient stage itself, watching for warning signals and symptoms of sickness, timely reporting by branches to controlling authorities and initiating timely corrective action. Banks/Institutions have also been advised to evolve rehabilitation packages for potentially viable sick industrial units. Rehabilitation packages may include scheme for strengthening of management set-up by induction of professionals, broad basing of the Board of Directors, Constitution of Management Committees, etc. Under the Sick Industrial Companies (Special Provisions) Act, 1985, Board for Industrial and Financial Reconstruction may also suggest, inter-alia, preventive, ameliorative and remedial measures which are required to be taken in respect of sick industrial companies coming within its jurisdiction.

**[Translation]**

**Development of new type of loom by NID**

**10942. SHRI RAM DHAN :**

**SHRI BALWANT SINGH  
RAMOOWALIA :**

**SHRI NITYANANDA  
MISHRA :**

Will the Minister of TEXTILES be pleased to state :

(a) whether the National Institute of Design has developed a new type of loom;

(b) if so, whether Union Government have examined the utility of this loom;

(c) if so, the detailed information in regard to the special features and cost of this loom; and

(d) the efforts being made by Government to make them available even on hire

purchase terms to the cloth producers at large ?

**THE MINISTER OF TEXTILES  
(SHRI RAM NIWAS MIRDHA) :** (a) Yes, Sir.

(b) to (d). A Statement is given below.

**Statement**

It is a new type of sample loom for the preparation of design samples prior to production. The special features of the loom are as follows :

- (1) It can weave samples in 60 cm width or even less.
- (2) It uses small quantities of yarn, say bobbin/spool/banks.
- (3) It requires very little effort.
- (4) It allows frequent and instant changes in the lifting patterns.
- (5) It allows the use of a variety of yarn materials and counts.
- (6) It can be operated effectively by a person who has little or no mechanical, technical and weaving skills.
- (7) It is designed ergonomically, so that the user get less fatigued even after prolonged working.
- (8) It requires less space.
- (9) Less space is occupied in studios/offices due to its overall dimensions, thus enabling designers/professionals to working in privacy, secure from premature disclosures of their ideas in a competitive market.
- (10) This loom is mechanically so designed that it required minimum maintenance.
- (11) Its warp making and yarn winding adjuncts are attached, so that separate equipment does not have to be arranged for Warping and winding.

(12) Warp beam making efforts are minimised.

(13) Normally for trying different structures in the same warp count frequent changes in the reed numbers are required. This loom incorporates the system changing the warp density at the rear of the loom to match the reed number with the help of flexible reed.

(14) The loom allows adjustments for efficient and comfortable drafting of the warp ends into the heads

(15) When weaving is not in progress, the loom could be converted into a small working table.

(16) The loom has provisions for illumination affixed to it at the proper point, so that light of the right intensity, in the natural colour spectrum, can be utilised.

As the loom is a prototype, the question of its cost does not arise. Also, since it is a loom for the preparation of design samples, the question of taking it to the cloth producers at large does not arise at this stage.

**[English]**

**World Bank aid for leather manufacturing complex**

**10943. SHRIMATI MADHUREE SINGH :**

**DR. G.S. RAJHANS :**

Will the Minister of COMMERCE be pleased to state :

(a) whether Government have sought the World Bank aid for setting up an integrated leather manufacturing complex with common facilities and a design and product development centre;

(b) if so, the details of the loan for boosting leather industry;

(c) the target fixed for export of leather goods during 1988-89; and

(d) the other steps being taken to boost exports ?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DASMUNSI) :** (a) No, Sir.

(b) Does not arise.

(c) and (d). The export target for leather sector for 1988-89 proposed by council for Leather Exports is Rs. 1350 crores. Measures have been taken for market promotion abroad and product development in India for leather products to be competitive in world market in terms of price and quality which would help in increasing exports in this sector.

**Export obligations of fishing companies**

**10944. SHRI T. BALA GOUD :** Will the Minister of COMMERCE be pleased to state :

(a) whether many fishing companies have problems regarding export obligations;

(b) the names of such fishing companies; and

(c) the steps being taken to resolve them ?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DASMUNSI) :** (a) to (c). There were five fishing companies who had problems in fulfilment of their export obligations. The Government have decided to treat the supplies made to the processors of marine products by the owners of fishing trawlers who had undertaken export obligation at the time of import of these trawlers, as deemed exports, for purpose of fulfilment of export obligations. Of the five companies, cases of three companies have since been finalised. Cases of the remaining two companies viz. M/s. Phoenix India Marine Pvt. Ltd. Vesakapatnam & M/s Kerala Fisheries Corporation Ltd. Cochin are pending and necessary instructions in this regard have been issued to the licensing authorities to finalise them.

## [Translation]

## Setting up of Technical Advisory Committee

10945. SHRI RAM VILAS MUTTEMWAR : Will the Minister of WATER RESOURCES be pleased to state :

(a) the objectives of setting up of Technical Advisory Committee;

(b) whether the Committee has proved useful in according approval to the projects; and

(c) the details of achievements made so far by the Committee ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) The main purpose of the Advisory Committee is to examine techno-economic viability of major/medium irrigation, flood control and multipurpose projects.

(b) and (c). Over 900 projects have been considered and recommended by the Advisory Committee.

## [English]

## Sale of gold by Reserve Bank of India

10946. SHRI MANIK REDDY : Will the Minister of FINANCE be pleased to state :

(a) the quantum of gold sold by the Reserve Bank of India during the past three years; and

(b) the procedure followed in selling the gold ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The Reserve Bank of India has not sold gold during the past three years.

(b) Does not arise.

## Government nominees on Board of Companies assisted by financial institutions

10947. PROF. K. V. THOMAS : Will the Minister of FINANCE be pleased to state :

(a) the directions given to nominees of Government in the Board of Companies assisted by financial institutions;

(b) the number of private companies in Kerala which have been given financial assistance by financial institutions to revive from industrial sickness; and

(c) the particulars of the Government nominees in the Board of these companies ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :

(a) State/Central Government normally appoint their nominees on companies assisted by the financial institutions where the former have stake by way of subscription to the share capital or where they are involved as co-promoters (as in the case of joint sector companies), as also on companies wholly-owned by them.

Institutions appoint their nominees on the Board of their assisted companies as per their norms. IDBI has issued guidelines to its nominee directors which, inter-alia, require that they would not only safeguard the interests of the institutions but also serve interests of sound public policy, provide adequate feedback to the institutions on the affairs and operations of the Company, and see that the company is run on sound commercial lines within the policy framework of Government.

(b) and (c). IDBI have reported that financial institutions i.e. IDBI, IFCI, ICICI and IRBI have given revival assistance to 11 private companies in Kerala. Particulars of Government nominee in the Boards of these companies are being ascertained and to the extent available and permissible would be laid on the Table of the House.

## Import of raw cashew

10948. DR. PHULRENU GUHA : Will the Minister of COMMERCE be pleased to state :

(a) whether there is any proposal to import raw cashew during 1988-89; and

(b) if so, the details thereof ?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) :** (a) and (b). Import of raw cashew nuts is freely permitted under the Import Policy. Import of raw cashewnuts depends on a number factors like domestic production, availability of raw cashewnuts in other cashew growing countries, prices etc.

**Investible funds of Unit Trust of India**

**10949. SHRI RAM BAHADUR SINGH :** Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Unit Trust of India has been making large amounts (additions) to its investible funds during the past four years ;

(b) if so, the year-wise details thereof ; and

(c) the details of its investments during the past four years, year-wise and heads under which these funds have been invested ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) Yes, Sir.

(b) Year-wise details of additions to investible funds are given below :

		(Rs. Crores)
Year ending 30th June.	Additions to Investi- ble funds	
1984	391.09	
1985	948.28	
1986	1008.73	
1987	1345.34	

(c) The details of investments of the additions to investible funds are as under :

	1984	1985	1986	1987
1. Shares/Debentures	232.71	405.77	575.45	740.19
2. Govt. Securities	19.95	105.06	130.00	45.00
3. Term Loan	—	—	—	42.02
4. Short-Term Deposits	49.18	187.74	142.73	(—)16.23
5. Call Deposits, etc.	89.25	249.71	160.55	534.36
<b>Total</b>	<b>391.09</b>	<b>948.28</b>	<b>1008.73</b>	<b>1345.34</b>

**Impact of import of cotton on cotton growers**

**10950. SHRIMATI USHA CHOU-DHARY :** Will the Minister of TEXTILES be pleased to state :

(a) whether Government have studied the impact of imports of cotton on cotton production and cotton growers in the country ;

(b) if so, the details thereof ; and

(c) if not, the reasons therefor ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) and (b). Government are keeping a watch over the situation and have not permitted the import of cotton during the past three years except on an advance Licensing

basis during the current year. This has been allowed so that exports of cotton textiles are not affected by shortage of cotton. At the same time it does affect the interests of cotton growers.

(c) Does not arise.

**Looting of Bharat Overseas Bank Ltd.  
at Goregaon, Bombay**

10951. DR. DATTA SAMANT : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that armed men looted the Bharat Overseas Bank Ltd. at Goregaon, Bombay on 15 April, 1988 ;

(b) the amount looted ; and

(c) whether any person has since been apprehended in this connection, if so, the details thereof ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :**

(a) Yes, Sir.

(b) The actual cash looted amounts to Rs. 26,700.

(c) Yes, Sir. One person has been arrested by Bombay City Police.

**Money remitted by Malayalees working abroad**

10952. SHRI VAKKOM PURUSHOTHAMAN : Will the Minister of FINANCE be pleased to state :

(a) the amount of money remitted to Kerala by the Malayalees working abroad during the last three years, year-wise ;

(b) whether there is a steady decline in remittances during the last three years ;

(c) if so, whether it is a fact that this has made adverse impact on the economy of the State ; and

(d) if so, whether this factor is being kept in view while allocating funds to the State ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :**

(a) State-wise data pertaining to inflow of foreign exchange is not maintained by the RBI.

(b) to (d). Do not arise.

**Increase in price of controlled cloth**

10953. SHRI BRAJA MOHAN MOHANTY : Will the Minister of TEXTILES be pleased to state :

(a) the reasons for increase in price of controlled cloth ; and

(b) whether increase in price is proportionate to increase in the cost of material of controlled cloth ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :**

(a) The consumer price of cotton controlled cloth has increased because of the rise in the cost of inputs, including cotton, with the consumer subsidy which was fixed in 1981, remaining unchanged.

(b) Although the price of cotton has gone up considerably since 1st October, 1987, the price of cotton controlled cloth has not been increased.

**[Translation]**

**Smuggling on Indo-Nepal border**

10954. PROF. CHANDRA BHANU DEVI : Will the Minister of FINANCE be pleased to state :

(a) whether incidence of smuggling has increased considerably on Indo-Nepal border during the recent years ; and

(b) if so, the quantity and value of foreign goods and that of the narcotics seized during the years 1986 and 1987 ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT KUMAR PANJA) :**

(a) and (b). Since smuggling is a clandestine activity, it is not feasible to estimate whether incidence of smuggling has increased or decreased

on the Indo-Nepal border in recent years. However, the value of foreign goods and that of narcotics seized by the Customs Officers of the Indo-Nepal border Customs Collectorate during the years 1986 and 1987 is given below :

(Value : Rs. in lakhs)

Year	Value of foreign goods seized	Value of Narcotics seized
1986	562	333
1987	910	378

**Share of handloom products in export of Readymade Garments**

10955. SHRI NITYANANDA MISHRA : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that there has been some distinct improvement in the export of readymade garments ;

(b) if so, how much of this opportunity is being shared by the handloom products ;

(c) whether the State Handloom Boards are being assisted to update their design to suit world market and also to design better styled garments and if so, the details thereof ; and

(d) if not, the reasons therefor ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) In 1987, out of a total exports of garments of Rs. 1857.43 crores, handloom garments accounted for Rs. 20.24 crores. In addition the exports of cotton handloom fabrics and made-ups were Rs. 215 crores.

(c) and (d). The Weavers Service Centres assist the State Handloom Agencies, among other, in the development of designs and upgradation of technology for handloom products in general. A National Institute of Fashion Technology has also

been set up in Delhi for education, research and training in the areas of fashion design for garment manufacture.

**Euro Dollar loan for SCICI**

10956. SHRI CHAUDHARY RAM PARKASH : Will the Minister of FINANCE be pleased to state :

(a) whether the attention of Government has been drawn to the news-item captioned '\$ 60 Million Euro Dollar loan for SCICI' appearing in the 'Times of India' of 15th April, 1988 ;

(b) if so, the details thereof ; and

(c) the manner in which the loan is proposed to be utilised ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALERO) :

(a) Yes, Sir.

(b) and (c). SCICI has raised a loan of \$ 60 Million in the Euro Dollar market for further lending for acquisition of shipping and deep sea fishing vessels. The loan was arranged inter-alia by Swiss Bank Corporation Investment Banking Limited, London, and lead managed by Fuji Bank Saitama Bank of Japan. The loan is in two parts :

(i) \$ 40 Million payable in one lump-sum after ten years ; and

(ii) \$ 20 Million payable in fourteen equal semi-annual instalments commencing after 5½ years.

The loan carries interest at quarter percent over six monthly LIBOR (LONDON INTER-BANK BORROWING RATE). The loan is guaranteed by Govt. of India.

**[Translation]**

**Protection of traditional art of marking Kota Masuria and Kaithun Sarees**

10957. PROF. NIRMALA KUMARI SHAKTAWAT : Will the Minister of TEXTILES be pleased to state :

(a) whether Kota Masuria or Kaithun sari is an unique artistic example of handloom industry ;

(b) whether manufacturers of this cloth are passing through crisis;

(c) whether Government propose to take steps for the protection of these weavers to save this traditional handloom industry from being ruined;

(d) whether Government propose to consider the request of opening a depot in this area with a view to supply them raw material at cheaper rates and to purchase from them the finished goods; and

(e) whether Government propose to find out the possibility of exporting this artistic cloth ?

**THE MINISTER OF TEXTILES  
(SHRI RAM NIWAS MIRDHA) :** (a) and (b). Yes, Sir.

(c) Government has reserved Kota Doria sarees for production on Handlooms, under the Handlooms (Reservation of Articles for Production), Act 1985.

(d) The Rajasthan Handloom Development Corporation is operating of Depot at Kaithool to service the weavers.

(e) The demand for this artistic cloth in foreign countries is limited to areas with population of Indian origin and traditional saree users.

#### Demand for Indian diamonds

**10958. SHRI VIJAY N. PATIL :** Will the Minister of COMMERCE be pleased to state :

(a) whether Government have noted surge in international demand for diamonds;

(b) if so, the facilities provided by Government to diamond exporters;

(c) whether Government are aware of the credit limits imposed on diamond merchants by the Report of the Committee set up in 1983 and implemented now; and

(d) if so, the steps Government contemplate to review the outdated report to the current needs of diamond business ?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI PRIYA RANJAN DASMUNSI) :** (a) International demand for diamonds has shown a steady increase.

(b) A practical and pragmatic policy framework evolved by Government enables an easy access to rough diamonds with export commitment or performance besides simplified and duly rationalised procedures and incentives for the diamonds industry and trade to grow.

(c) Yes, Sir.

(d) These aspects are reviewed from time to time for suitable measures to be taken in the overall interest of the economy.

#### DPC meetings for promotion to the post of ITOs

**10959. SHRI SOMJIBHAI DAMOR :** Will the Minister of FINANCE be pleased to state :

(a) the charges of the Income-tax Department where Departmental Promotion Committee (DPC) meetings for promotion to the post of Income-Tax Officers from Inspectors have been held during the year 1987-88 alongwith the date of DPC meetings and the total number of officials included in the panel; and

(b) the number of Scheduled Castes/Scheduled Tribes included in the panels of each charge in the Income-tax Department ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT KUMAR PANJA) :** (a) and (b). The relevant information is given in the Statement below.

## Statement

Sl. No.	Charge	Date of the DPC meeting	Number of officials in- cluded in the panel	Number of Scheduled Caste and Scheduled Tribe officials included in the panel
1.	Andhra Pradesh	13.10.87	15	2
2.	Bihar	10.12.87	4	—
3.	Bombay	14.1.88	58	13
4.	Delhi	(1) 18.6.87 (2) 30.3.88	29 6	7 —
5.	Gujarat	16.12.87	20	5
6.	Karnataka	30.12.87	7	2
7.	Lucknow	29.2.88	6	1
8.	Madhya Pradesh	27.8.87	14	1
9.	NER Shillong	21.3.88	11	1
10.	Orissa	7.1.88	5	—
11.	Pune	(1) 5.12.87 (2) 22.12.87	5 40	1 9
12.	Patiala	(1) 22.4.87 (2) 30.12.87	11 45	3 5
13.	Rajasthan	24.7.87	8	1
14.	West Bengal	(1) 21.1.88 (2) 11.3.88 & 17.3.88	6 37	2 10

## Indo-Italian trade talks

10960. SHRIMATI D.K. BHANDARI:  
Will the Minister of COMMERCE be pleased to state :

(a) whether Indo-Italian trade talks have been held in April, 1988;

(b) if so, the details of the talks held; and

(c) the areas proposed to be cooperated mutually by both countries ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF COMMERCE (SHRI PRIYA RANJAN DASMUNSI): (a) to (c). A delegation of Federation of Indian Chambers of Commerce and Industry visited Italy in April 1988 for the fourth meeting.

of the Indo-Italian Joint Business Council where they discussed matters of bilateral trade interest, perspective and opportunities for economic and industrial collaboration between Italian and Indian firms. Areas identified for mutual cooperation included oil and natural gas, power generation, mining, computers and peripherals, leather processing and finishing machinery and air pollution control equipment.

**Assistance for Tea Plantation in non-traditional areas**

**10961. SHRI SRIBALLAV PANIGRAHI** : Will the Minister of COMMERCE be pleased to state :

(a) how many States have availed of the central assistance to undertake tea plantation in the non-traditional areas;

(b) whether any such assistance has been availed of by the State of Orissa from Union Government or the Tea Board to promote tea cultivation in the State;

(c) if so, the total hectares of land brought under tea plantation so far;

(d) whether commercial production of tea has been started at some places; and

(e) if so, the details thereof ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF COMMERCE (SHRI PRIYA RANJAN DASMUNSI)** : (a) So far three States namely Nagaland, Manipur and Orissa have availed of financial assistance from Tea Board under New Tea Unit Financing Scheme for non-traditional areas.

(b) and (c). Yes, Sir. Orissa Tea Plantation Ltd., a Joint Sector project of the State of Orissa has availed a loan of Rs. 40 lakhs and a subsidy of Rs. 15 lakhs from Tea Board for planting tea. As on date tea has been planted on 110 hectares in Orissa.

(d) and (e). Commercial production of tea has started on a modest scale in Orissa.

Foreign share holding of multinational companies

**10962. SHRI KAMAL NATH** : Will the Minister of FINANCE be pleased to state :

(a) whether some multinational companies has applied to Government to divest twenty per cent of its foreign share holding and have nominated certain individuals to receive fifty per cent of its divestment shares without payment;

(b) the names of the companies and the reaction of Government with regard thereto;

(c) the names of the individuals so nominated by the companies; and

(d) the steps taken to protect the interest of the existing share holders and violators, if any, of FERA guidelines and COFEPOSA ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO)**:

(a) No, Sir.

(b) to (d). Do not arise.

**Exchange of soiled and torn currency notes**

**10963. SHRI PRATAPRAO B. BHOSALE** : Will the Minister of FINANCE be pleased to state :

(a) whether the general public find difficult to exchange soiled and torn currency notes with the Banks in the country;

(b) whether the instructions to the nationalised Banks for exchanging these notes are being followed by them properly; and

(c) the steps taken by Government to redress the grievances of the public in this regard ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO)** : (a) to (c) Reserve Bank of

India (RBI) have authorised all the branches of public sector banks to exchange soiled and certain categories of mutilated notes. RBI have also given full powers for exchange of all types of mutilated notes to about 3200 currency chest branches of the public sector banks, in addition to its own offices affording the same facility, all over the country. The authorised bank branches have been effecting exchange of soiled/mutilated notes in accordance with RBI's Rules governing their exchange. Specific complaints from the public in this regard, whenever received, are taken up by RBI with concerned banks for remedial action.

**Assistance given by LIC for Socially Oriented Scheme in Punjab**

10964. SHRI KAMAL CHAUDHURY : Will the Minister of FINANCE be pleased to state :

(a) whether the Life Insurance Corporation of India has extended financial assistance to any socially-oriented schemes in Punjab ; and

(b) if so, the details thereof ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) Yes, Sir.

(b) Upto 31.3.1988 LIC has advanced loans as under :—

Scheme	(Rs. in Lakhs)
1. State Electricity Board	11213.00
2. State Govt. for Social Housing	3409.36
3. Punjab Water Supply & Sewerage Board	3768.99
4. State Road Transport Corporation	695.00
5. Punjab State Apex Cooperative Housing Society	3950.00

**Claim Inspectors in New India Assurance Company**

10965. SHRI R. DHANUSHKODI ATHITHAN : Will the Minister of FINANCE be pleased to state :

(a) the number of claim Inspectors promoted as Assistant Administrative Officers under one time promotion policy in December, 1986 in New India Assurance Co. Ltd. ;

(b) the number of promotee claim Inspectors who have sent joint representation for proper justice of allotting the technical functions to the New India Assurance Company ;

(c) whether it is a fact that the management of New India Assurance Company is allotting non-technical functions to such technical officers promoted under one time promotion, if so, the reasons therefor; and

(d) whether it is a fact that the management had no consent of claim Inspectors while promoting them under one time promotion if so, the reasons therefor ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) 36.

(b) 21.

(c) Since under one time promotion policy the Claims Inspectors have been promoted as officers, they are entrusted with enlarged functions.

(d) In response to the interview call, Claims Inspectors were interviewed and then selected for promotion. Therefore, the question of obtaining further consent from them does not arise.

**Transportation Racket detected in National Textile Corporation**

10966. DR. B. L. SHAILESH : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that the transportation racket resulting in a loss of over

rupees one crore to the National Textile Corporation has recently been detected ;

(b) if so, the modus operandi of this racket and the details of outcome of the investigation made into the matter ;

(c) the appropriate action taken or proposed to be taken against the guilty persons ; and

(d) the preventive measure being taken to avoid recurrence of such losses ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) to (c). The Central Bureau of Investigation, Ahmedabad, has registered a case for investigation involving an award of contract of coal handling at higher rate than the market rate. As per First Information Report, this has caused loss to NTC (Gujarat). Further action will depend on the investigation report from the CBI.

(d) NTC (Holding Company) has issued instructions for appointment of coal handling agents. These include open advertisement in the national newspapers for ensuring competitive rates and effective competition.

#### Venture Capital Funds

10967. DR. B. L. SHAILESH : Will the Minister of FINANCE be pleased to state :

(a) whether Government have under consideration any proposal to establish venture capital funds in the private sector ;

(b) if so, its broad features ; and

(c) its impact on the funding by the public sector financial institutions ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) Yes, Sir.

(b) and (c). The broad features of the venture capital funds in the private sector and the impact on the funding by the public sector financial institutions can be

known only after a decision is taken on the proposal.

#### Export Trend of Black Pepper

10968. SHRI SRIKANTHA DATTA NARASIMHARAJA WADIYAR : Will the Minister of COMMERCE be pleased to state :

(a) whether the export demand of black pepper has slackened during 1987-88 ;

(b) if so, the reasons therefor ; and

(c) the details of demand of black pepper made by United States, U.S.S.R. and other countries ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF COMMERCE (SHRI P. R. DASMUNSI) :** (a) No, Sir.

(b) Does not arise.

(c) The provisional estimates of export of black pepper during 1987-88 compared to 1986-87 to USA, USSR and other countries is as follows :—

	(Qty. in MT)	
	1987-88	1986-87
USA	6798	15091
USSR	17585	9468
Other countries	14957	12524
<b>Total :</b>	<b>39340</b>	<b>37083</b>

Exports to USA have declined primarily on account of automatic detention of pepper imported from India by the US.

#### Setting up of Security Printing Press with Mint

10969. SHRI SRIKANTHA DATTA NARASIMHARAJA WADIYAR : Will the Minister of FINANCE be pleased to state :

(a) whether Government have a proposal to set up some security printing press with a mint ;

(b) if so, the sites selected in the States where such security printing press and mint are going to be set up ; and

(c) the details of the action taken in this regard in 1986-87 and 1987-88 ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) and (b). The Government have no proposal to set up any Security Printing Press with a mint anywhere in the country. However, it is proposed to set up two new bank note printing presses—one each at Mysore in Karnataka and Salboni in West Bengal.

(c) Necessary land acquisition has been authorised. Works regarding land survey, soil investigation and water testing have been completed. Comparative technologies to be used have been evaluated. Detailed Feasibility Report for enabling the investment decision has also been prepared.

#### Indian Banks in Singapore

**10970. SHRI SRIKANTHA DATTA NARASIMHARAJA WADIYAR :** Will the Minister of FINANCE be pleased to state :

(a) the number of Indian banks under operation in Singapore ;

(b) the names of those banks ; and

(c) the performance of each of those banks in 1987-88 ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) to (c). At present five Indian banks have seven operating branches in Singapore. The bank-wise break-up of these branches and their operating results as at the end of December, 1987 are indicated below :

Name of the Bank	No. of Branches	Operational Results		
		Total assets (Rupees in crores)	Customer deposit	Customer credit
State Bank of India	1	863	47	675
Bank of India	1	921	283	729
Indian Bank	1	703	119	542
Indian Overseas Bank	1	477	159	396
UCO Bank	3	478	345	345

#### Iron Ore Exported from Goa

**10971. SHRI SRIKANTHA DATTA NARASIMHARAJA WADIYAR :** Will the Minister of COMMERCE be pleased to state :

(a) the quantity of iron ore exported from Goa to Japan annually during last three years, year-wise ;

(b) whether Government have a pro-

posal to increase export of iron ore from Goa in 1988-89 ; and

(c) if so, the total quantum of iron ore proposed to be exported from Goa in 1988-89 ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF COMMERCE (SHRI P. R. DASMUNSI) :** (a) The quantity of iron ore exported from Goa

to Japan during the last three years is as follows :—

(Quantity : Million Tonnes)

1985-86	1986-87	1987-88*
9.452	8.498	7.978
(* Provisional.)		

(b) Yes, Sir.

(c) During 1988-89, 13.4 million tonnes of iron ore are expected to be exported from Goa to all destinations including Japan.

**Committees for Credit to Beneficiaries of IRDP**

10972. PROF. NARAIN CHAND PARASHAR : Will the Minister of FINANCE be pleased to refer to the reply given on 25 January, 1985 to Starred Question No. 100 regarding review of District Lead Bank Scheme and state :

(a) whether the advisory committees at Block level for ensuring smooth flow of credit to the beneficiaries of IRDP have since been set up ;

(b) if so, the number of blocks, State-wise, where such committees have been set up alongwith the names of such blocks, district-wise, in Himachal Pradesh; and

(c) if not, the reasons therefor and whether any steps would be taken to set up these committees during the Seventh Five Year Plan ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :**  
 (a) to (c). Government of India, in August, 1983, have issued a letter to all the State Governments suggesting the formation of Advisory Committees at the block level for ensuring smooth flow of credit to the beneficiaries of Integrated Rural Development Programme (IRDP). The sugges-

tions contained in the letter were recom-mendatory in nature and not mandatory. Some of the State Governments informed that since in their States a forum already existed at the block/taluka level for over-viewing the implementation of IRDP, a separate Advisory Committee on the lines suggested by Government of India was not necessary.

**Tea in Kangra Valley**

10973. PROF. NARAIN CHAND PARASHAR : Will the Minister of COMMERCE be pleased to state :

(a) whether any efforts have been made by the Tea Board for the promotion of tea growth in Kangra district of Himachal Pradesh ;

(b) if so, the details thereof, including the promotion of marketing prospects of this tea and to secure its sale in the traditional markets ; and

(c) if not, the reasons therefor and whether adequate steps would be taken in this regard during the Seventh Five Year Plan ?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI PRIYA RANJAN DASMUNSI) :** (a) to (c). Yes, Sir. Various activities for the promotion of tea growth in Kangra District of Himachal Pradesh have been taken by the Tea Board. Financial assistance has been given in the form of loans and subsidy for development of tea in Kangra valley. This includes loans to Co-operative factories loans under the Tea Machinery Hire Purchase Scheme, subsidy under rejuvenation and consolidated scheme, subsidy for setting up of Nurseries and Demonstration Plots etc. The total financial assistance given as on 31.3.1988 is Rs. 38.96 lakhs under Loan Schemes and Rs. 13.08 Lakhs under Subsidy.

The main problem of marketing pros-pcts for Kangra tea is its poor quality which is used mainly for blending with other good teas both for internal market and export.

**Shiwalik/Swan Channelisation Project  
of H.P.**

10974. PROF. NARAIN CHAND PARASHAR : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether the Shiwalik/Swan channelisation Project in Unna District has been included in the Annual Plan for Himachal Pradesh for 1988-89 ;

(b) if so, the estimated cost and other relevant details of the project ; and

(c) the likely date by which the construction work would be taken in hand ?

**THE MINISTER OF STATE IN THE  
MINISTRY OF WATER RESOURCES  
(SHRIMATI KRISHNA SAHI) :** (a) No, Sir.

(b) and (c). Do not arise.

**Business of loss of licence coupons and short period personal accident policies of General Insurance Corporation**

10975. PROF. MADHU DANDAVATE : Will the Minister of FINANCE be pleased to state :

(a) whether M/s Oriental undertakes the business of loss of licence coupons and short period personal accident policies on behalf of all the four units of the General Insurance Corporation ;

(b) if so, whether this business is being done through an agent and not by the employees of M/s Oriental ; and

(c) if so, the amount of annual commission paid to the agents with reasons for not doing it departmentally ?

**THE MINISTER OF STATE IN THE  
DEPARTMENT OF ECONOMIC  
AFFAIRS IN THE MINISTRY OF  
FINANCE (SHRI EDUARDO FALEIRO) :**  
(a) While the Short period Personal Accident Policies are sold by the four subsidiaries of the General Insurance Corporation of India from their offices, such policies as also Flight Coupons, sold by 'Oriental' at Airports, are on behalf of all the subsidiaries. Further, the Loss of

Licence Policies are sold in a limited manner by the subsidiaries individually.

(b) Insurances sold at airports by 'Oriental' are handled through independent parties as per agreements with them.

(c) The amount of commission paid to such parties during 1987 was around Rs. 36,000. With a view to provide service to the travelling public, insurance kiosks are manned at most airports by independent parties as per agreements and this arrangement has been found to work satisfactorily from the point of view of the convenience of the travelling public. It would not be viable to render this service departmentally.

**Export of Castor Oil**

10976. PROF. MADHU DANDAVATE : Will the Minister of FINANCE be pleased to state :

(a) whether cess at 5 per cent is available on exports of castor oil B.P. ;

(b) if so, whether it has been claimed against exports of castor oil of B.S.S grade to the U.S.S.R. ; and

(c) if so, the amount thereof and the steps taken to recover the irregular payments ?

**THE MINISTER OF STATE IN THE  
DEPARTMENT OF REVENUE IN THE  
MINISTRY OF FINANCE (SHRI A.K.  
PANJA) :** (a) No cess is leviable on export of castor oil B.P. as it is not a scheduled product under the Agricultural and Processed Food Products Export Cess Act, 1985 (3 of 1986), under which cess at the rate of 0.5% *ad valorem* is levied on export of certain specified commodities.

(b) and (c). In view of (a) above, do not arise.

**Export of Castor Oil**

10977 SHRI MULLAPAPLLY RAMA-CHANDRAN : Will the Minister of COMMERCE be pleased to state :

(a) the quantity and value of castor oil exported to the Soviet Union during 1986-87 and 1987-88 ;

(b) whether the commitment for export of castor oil to the Soviet Union during 1987-88 was fully met in time ;

(c) the other countries which are importing castor oil from India ; and

(d) the foreign exchange earned by export of castor oil during 1987-88 ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF COMMERCE (SHRI PRIYA RANJAN DASMUNSI) :** (a) The quantity and value of castor oil exported from India to Soviet Union during 1986-87 and 1987-88 are as follows :

Year	Quantity (Tonnes)	Value (Rs. crores)
1986-87	25,750	25.11
1987-88	37,203	59.01

(b) Trade Plan agreement with Soviet Union is on Calendar year basis. The entire quantity of Castor Oil agreed for export to Soviet Union was exported during 1987.

(c) France and Holland are the other countries importing castor oil from India.

(d) During 1987-88, 2500 tonnes of castor oil valued at Rs. 2.26 crores was exported to France.

(Source : Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council, Bombay)

**IFCI Assistance to Medium and Small Scale Industrial Units**

**10978. SHRI PARASRAM BHARDWAJ :**

**SHRI H.B. PATIL :**

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Industrial Finance Corporation of India has decided to give financial assistance to

medium and small scale industrial units for modernisation of their plants ; and

(b) if so, the details in this regard ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) and (b). The Industrial Finance Corporation of India (IFCI) normally considers application for financial assistance in respect of projects with capital cost above Rs. 3.00 crores. The small scale units and other units with Capital cost below Rs. 3.00 crores are, as such, normally outside the purview of direct financial assistance from IFCI. The financial requirements of such units are met by State level institutions and banks. The IFCI has, however, been operating for units coming within its portfolio, alongwith other all-India Financial Institutions, various schemes such as Soft Loans Scheme for Modernisation, Textile Modernisation Fund Scheme, Jute Modernisation Fund Scheme and Sugar Development Fund Scheme aimed at modernisation of existing units.

**Confiscation of Foreign Goods**

**10979. SHRI JAGANNATH PATAIK :** Will the Minister of FINANCE be pleased to state :

(a) the names of those airports in India where foreign goods were confiscated by Customs officials during the last three years alongwith total value of goods so confiscated ;

(b) the details of goods released and the value thereof vis-a-vis the goods still lying confiscated ;

(c) whether complaints regarding the replacement of fine and new goods with old and sub-standard goods received during the last three years were inquired into ; and

(d) if so, the details thereof ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT KUMAR PANJA) :** (a) Goods of foreign

origin worth Rs. 134.78 crores approximately were confiscated by the Customs officials during the last three calendar years of 1985, 1986 and 1987 at the international airports of Delhi, Bombay, Calcutta, Madras, Trivandrum, Tiruchirapalli, Patna, Varanasi, Goa, Amritsar and Hyderabad.

(b) to (d). The information is being collected and will be laid on the Table of the House.

#### **Hawala Transactions**

10980 SHRI SANAT KUMAR MANDAL : Will the Minister of FINANCE be pleased to state :

(a) whether a number of big cases involving compensatory payments (hawala transactions) rackets were detected during 1987-88 ;

(b) if so, the modus operandi of this racket and the amount involved in some of the big cases detected ;

(c) the follow-up investigation being made and action taken in these cases ; and

(d) whether Government propose to take any legal or administrative measures of eliminate this racket in compensatory payments ; if so, what ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :**

(a) Yes, Sir.

(b) and (c). It is reported that the racketeers in foreign exchange collect foreign exchange from the non-resident Indians abroad and make available Indian currency at a higher premium to their relations in India.

The amounts involved in some of the big cases of compensatory payments detected during 1987-88 are as follows :

1. Mohd. Ansar, Bombay.	6.17 crores.
2. M.K. Seemi Mohd. Madras.	2.25 crores.
3. Abdul Aziz Gaur, Bombay.	24 crores.
4. Khalid Asraf Begawala, Bombay.	6 crores.
5. Habjbul Kareem, Madras.	4 crores.
6. Gulam Mohd. & others, Bombay.	42 crores.
7. Shabbir Alibhai Patel, Bombay.	115.27 lakhs.
8. Mohd. Zakaria Damda, Bombay	12 crores.
9. Laxman Saha, Calcutta,	151.92 lakhs.
10. V M. Mohd. Yaseen, Madras.	2.46 crores.

While Show Cause Notices have been issued in case No. 2 and 5. In other cases, investigations are in progress.

(d) The Government is aware of the

problem which is kept under constant review for taking appropriate measures with a view to eliminate the racket in compensatory payments.

**Export of cotton from Maharashtra**

10981. SHRI R. M. BHOYE : Will the Minister of TEXTILES be pleased to state :

(a) the number of bales of cotton exported by Maharashtra during 1986-87 and the foreign exchange earned therefrom ;

(b) the quota fixed for export of cotton for Maharashtra and other States during 1988-89 ; and

(c) what are the norms fixed for determining export quotas for different States ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Maharashtra State Co-operative Cotton Growers' Marketing Federation Ltd. exported 1,19,957 bales of cotton crop of 1986-87 valued at around Rs 26 crores.

(b) Since the cotton year 1988-89 will commence from September, '88, it is premature to fix any quotas, and hence none have been fixed.

(c) The export quotas are not fixed State-wise. The export quotas are released to exporting agencies, including private trade, from time to time depending upon the availability of cotton, domestic requirements, the procurement by the exporting agencies, the requests received for allotment of quotas, their past performance, etc.

**World Bank loans for Tamil Nadu Scheme**

10982. SHRI CHINTAMANI JENA : Will the Minister of FINANCE be pleased to state :

(a) whether as reported in the 'Times of India' dated 12 April, 1988 Tamil Nadu is likely to get a loan of Rs 255 crores from the World Bank for a Rs 600 crore project for the development of 10 towns in the State ;

(b) whether the modalities of the deal are presently being worked out between the Indian Government and World Bank officials ; and

(c) the details of the schemes on which the loan will be utilised ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). Negotiations have been held with the World Bank during April 1988 for an IDA Credit of US \$ 300.2 million for implementation of the Tamil Nadu Urban Development Project.

(c) The Project will be implemented in 10 urban agglomerations of Tamil Nadu, at an estimated cost of Rs. 632 crores. Project components include sites and services, slum upgradation, traffic management and transport and the establishment of a Municipal Urban Development Fund.

**Jewellery Export Centres**

10983. SHRI AMARSINH RATHAWA : Will the Minister of COMMERCE be pleased to state :

(a) the names of the places where jewellery export centres have been established so far and the amount of jewellery exported from each Centre ;

(b) whether there is a demand to set up more jewellery export centres in the country to boost this trade and also to help the exporters ;

(c) if so, the steps being taken by Government in this regard ; and

(d) the steps being taken to boost this trade by increasing the export of gold and diamond jewelleries during the year 1988-89 ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUASI) : (a) A jewellery manufacturing complex under 100% Export Oriented Unit Scheme has been established in New Delhi. No jewellery exports under this scheme have yet commenced.

(b) and (c). Requests have been received to set up such complexes at Ahmedabad, Jaipur, Srinagar and Calcutta.

State Governments have been requested to identify suitable sponsoring agencies and building premises for such complexes.

(d) Coupled with simplification of procedures and rationalisation of Import-Export Policy for this sector, additional measures for promotion of plain and studded gold jewellery include development of facilities for training of artisans, assaying and hallmarking, and marketing efforts in selected thrust areas

**Vamanapuram irrigation project in Kerala**

10984. SHRI T. BASHEER : Will the Minister of WATER RESOURCES be pleased to state :

(a) the estimated cost of Vamanapuram irrigation project in Trivandrum District of Kerala ;

(b) the details of expenditure incurred since the project was undertaken so far ; year-wise ;

(c) whether any clearance from environmental angle is necessary for this project ;

(d) if so, the details thereof ; and

(e) what is the present stage of the work and when the project is likely to be completed ?

**THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) :** (a) Rs. 36.40 crores.

(b) Expenditure till VIth Plan Rs. 74 lakhs

Expenditure during 1985-86 Rs. 26 lakhs

Expenditure during 1986-87 Rs. 49 lakhs

Expenditure during 1987-88 Rs. 37 lakhs

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Total : Rs. 186 lakhs  
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(c) and (d). Clearance under the Forest (Conservation) Act, 1980 is necessary.

(e) Preliminary works are in progress. The project is likely to be completed in

1993 depending upon the availability of funds.

**Limit on investment in Indira Vikas Patra**

10985 SHRI DHARAM PAL SINGH MALIK : Will the Minister of FINANCE be pleased to state :

(a) whether there is any limit for an individual to invest money in Indira Vikas Patras ; if so, how much ;

(b) whether any tax has to be paid by the individual at the time of maturity of Indira Vikas Patra ; and

(c) if so, how much and the details thereof ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):**  
(a) No, Sir.

(b), and (c). Interest is taxable on annual accrual basis and the interest for the purpose would be deemed to have accrued at the rate of 14.87 percent per annum (compound) in case of Indira Vikas Patras purchased on or after 1st March, 1988.

**Credit camp in West Bengal**

10986. SHRI NARAYAN CHOUBEY : Will the Minister of FINANCE be pleased to state :

(a) the date on which the first credit camp was organised in West Bengal ;

(b) the amount distributed in the above credit camp ; and

(c) the amount repaid by beneficiaries so far ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):**  
(a) to (c). Depending on local responsiveness, Public Sector Banks have been organising credit camps at their own initiative as a part of the overall measures taken by them to improve the flow of credit to weaker sections. The present

data reporting system does not provide information in respect of the number of credit camps the dates when they were organised, amounts disbursed and the amount repaid by the beneficiaries since central monitoring of credit camps is considered to be neither feasible nor necessary. However banks are expected to adhere to Reserve Bank of India's guidelines issued from time to time for all loans disbursed for small borrowers whether through credit camps or otherwise.

**Lock-out in Birla owned textile mills**

**10987. SHRI INDRAJIT GUPTA :** Will the Minister of TEXTILES be pleased to state :

(a) whether two Birla owned textile mills at Garden Reach, Calcutta (Kesoram) and at Mavoor (Kerala) producing cotton and rayon fabrics respectively, are under lock-out by the management for over one year in the case of the former and over two-years in the case of the latter ;

(b) if so, the number of workers unemployed and total value of production lost ; and

(c) what efforts Government have made to get such prolonged lock-out lifted ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) According to available information, Kesoram Industries Mills Ltd., Calcutta is lying closed since 15.2.1987 due to a lock out. The Mavoor Unit of Gwalior Rayons Silk Mfg. (Weaving) Co. Ltd was closed down from 7.7.85 by the management on the ground that raw materials were not available

(b) The number of workers rendered unemployed in Kesoram Industries Mills Ltd., and Mavoor Unit is 8309 and 3500 respectively. The yearly loss of production in Kesoram Industries Ltd is about 73.6 lakh kgs. of yarn and 576 lakh metres of cloth. The total loss in the Mavoor unit in 1985-86 was Rs. 517.23 lakhs.

(c) Efforts required for lifting of lock out come within the purview of State Governments.

**Special audit of the units of ITC Limited**

**10988. SHRI RAM BHAGAT PASWAN:** Will the Minister of FINANCE be pleased to state :

(a) whether any special audit was ordered by Government into the units of M/s ITC Limited during the last three years ; if so, the details thereof ; and

(b) whether Government propose to order fresh special audit of all the units of M/s ITC Limited and if not, the reasons therefor ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT KUMAR PANJA) :** (a) and (b). During the last three financial years, i.e. 1985-86 to 1987-88 Government have not ordered any special audit under Central Excise Law.

On 17.2.87, the Central Excise Deptt. carried out nation-wide searches on M/s ITC Limited, their outside Contract Manufacturers/Dealers. On the basis of the evidence gathered during the course of these searches and investigation conducted, show-cause notices have been issued to M/s. ITC Limited and their Outside Contract Manufacturers alleging evasion of Central Excise duty to the tune of over Rs. 1100 crores. One of the show-cause notices involving an alleged duty evasion of Rs. 803.78 crores was challenged before the Calcutta High Court and the writ was dismissed by a single judge. The Company has now appealed to a Division Bench of the Calcutta High Court. One of the Outside Contract Manufacturers namely Asia Tabacco Company who are also one of the respondents in the aforesaid show-cause notice have also filed a writ petition before the Madras High Court. The Madras High Court consisting of a Single Judge dismissed the petition. A Division Bench of the Madras High Court also rejected their appeal. They have now filed an SLP before the Supreme Court.

In view of the fact that Writ Petitions filed by M/s ITC Ltd. and one of their Outside Contract Manufacturers against the Department are pending and is being

heard by a Division Bench at Calcutta and the SLP is pending before the Supreme Court, the Government is not in a position to offer any comments at this stage.

**Manipulation of Deposits by State Bank of Indore**

[*Translation*]

**10989 SHRI MANVENDRA SINGH :** Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that false figures have been sent by the State Bank of Indore in regard to actual deposits for 1987 to the Reserve Bank of India for achieving its targetted deposits ;

(b) if so, the total deposits of the bank as on 25 December, 1987 and 31 December, 1987 ;

(c) the decrease registered in the bank deposits as on 1 January, 1988 and 8 January, 1988 and the reasons therefor and the actual deposits on these above dates ;

(d) the action being taken by Government to check such practices ; and

(e) whether any proposal is under the consideration of Government to take action against the officers responsible for showing inflated deposit figures ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) to (c). According to the information available from Reserve Bank of India the aggregate deposits of State Bank of Indore as on the 25th December, 1987, 31st December, 1987, 1st January, 1988 and 8th January, 1988 were Rs. 643 crores, Rs 670 crores, Rs. 657 crores and Rs. 653 crores respectively and the decrease in deposits of the bank as on 1st January, 1988 and 8th January, 1988 was to the tune of Rs. 13 crores and Rs. 17 crores respectively over 31st December, 1987 level. Reserve Bank of India have also reported that an analysis of deposit fluctuations by the bank revealed that no

deliberate window dressing was resorted to and the fluctuations were caused by normal business transactions of the bank. Reserve Bank of India has further reported that they very recently received a complaint from an ex-employee of the bank, alleging that Kota branch of State Bank of Indore had inflated the deposit figures during the year 1985-86 and the same is being looked into.

(d) and (e). The Reserve Bank of India have issued specific instructions to all banks to impress upon their Branch Managers not to adopt undesirable methods to inflate the deposit figures and also to take action against erring officials.

[*English*]

**Smuggling of Gold and Narcotics at Sahar Airport**

**10990. SHRI JAGANNATH PATAIKA : Will the Minister of FINANCE be pleased to state :**

(a) whether Government are aware that smuggling of gold and narcotic drugs has increased in the Sahar International Airport (Bombay) ;

(b) whether a huge amount is earned by the customs officers daily as customs duty ;

(c) whether there have come some cases of concealment of gold by moulding it into shape of instruments, appliances and accessories-fan nuts and bolts, motor of machine, knife butt, handles and rods of baggage trolley, spokes of ladies umbrella etc. ;

(d) if so, the details thereof ; and

(e) the steps Government have taken in this regard ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) :** (a) Since smuggling is a clandestine activity, it is not feasible to estimate whether the smuggling of gold and narcotic drugs has increased or decreased at Sahar international airport, Bombay.

(b) Customs duty is charged from the passengers on the import baggage in excess of free allowance.

(c) and (d). Seizures made show that there have been instances of concealment of gold by moulding it into shape of different appliances and accessories, nuts and bolts, handles and rods of baggage trolley etc.

(e) The new modus operandi used by smugglers which are discovered from time to time by the Customs Officers at Sahar international airport, Bombay are being circulated to all the field formations including other international airports. Sophisticated equipment such as X-ray baggage machines, and metal detectors are also being utilised for the purpose of detection of gold concealed on the person of passengers and their baggage/cargo.

#### Enquiry into Cigarette Manufacturers

10991. SHRI RAM BHAGAT PASWAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government are contemplating an enquiry into the working of those companies which are manufacturing cigarettes in Nepal, for violation of rules ; and

(b) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) and (b). Manufacturing units set up beyond the Indian territorial jurisdiction are subject to the laws of countries where these are functioning.

#### Traditional Art of Pottery

10992 SHRI H.N. NANJE GOWDA : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that due to modernisation the traditional art of pottery has gone to seed ;

(b) whether it is also a fact that villagers are using plastic-container instead of pottery ;

(c) whether one-day workshop has been organised by the Institution of Engineers (India), Karnataka State centre and the Textile Association (India), Karnataka ;

(d) if so, the main points discussed ;

(e) whether any suggestion was sent to Union Government for consideration ; and

(f) if so, the response of Union Government thereto ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) No, Sir.

(b) Yes, Sir.

(c) and (d). A Marketing Clinic was organised at the Institution of Engineers at Bangalore in August, 1987 to discuss the problems faced by 20 major crafts of Karnataka including artistic pottery.

(e) and (f) The clinic was organised by the Union Government itself.

#### Sericulture Industry in Rural Areas

10993. SHRI H.N. NANJE GOWDA : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that he had called upon the States to introduce sericulture industry in rural areas ;

(b) whether this type of Industry will be with a low capital base and labour intensive and income generating ;

(c) whether it will be suitable to rural areas ;

(d) whether State Government of Karnataka is also considering to start such Industries ; and

(e) if so, the details thereof ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (c) Yes, Sir.

(d) and (e). Karnataka is the major silk producing State in the country and

this industry is already well-established in the rural areas of the State. The State Government continues to lay emphasis on further development of this industry and has fixed a silk-production target of 5200 tonnes for the year 1988-89 as against a production of 4971 tonnes during 1987-88.

#### **NRIs as Prospective Investors**

**10994. SHRI V.S. KRISHNA IYER :** Will the Minister of FINANCE be pleased to state the total number of non-Resident Indians identified as prospective investors in the country ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** This type of identification is not possible and has not been done.

#### **Merger of Scindia Steam Navigation Company with ESSAR Shipping**

**10995. SHRI SRIHARI RAO :** Will the Minister of FINANCE be pleased to state :

(a) whether Scindia Steam Navigation Company Limited has been merged with ESSAR Shipping ;

(b) if so, the terms of merger ; and

(c) whether approval of Union Government was obtained and if not, the reasons therefor ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) No, Sir.

(b) and (c). The question does not arise, in view of (a) above.

#### **Seizure of Hashish on Indo-Nepal Border**

**10996. SHRI SRIHARI RAO :** Will the Minister of FINANCE be pleased to state :

(a) whether Government's attention has been drawn to the news item appearing in the Hindustan Times dated 18 April,

1988 wherein it has been stated that in the biggest ever customs haul in Eastern India, the authorities seized cocaine and hashish worth Rs. 3.57 crores in the International market from the two places on the Indo-Nepal border near Raxual ;

(b) if so, the details thereof ; and

(c) the steps being taken by Government to eradicate such crimes from the country ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) :** (a) and (b). The reference in the news-item appears to be the two seizures made by the Customs offices at Indo-Nepal border in the third week of April, 1988. In one case, a plastic bag containing 4 packets each containing one kg. of white powder, suspected to be contraband drug was seized. One apparatus suspected to be used for testing drugs was also seized. Samples of the seized drug have been sent to the forensic laboratories for analysis and report. Two persons involved in the case escaped into Nepalese territory. The Nepalese Customs authorities have been informed about the case for taking necessary action at their end.

In another case, the customs officers intercepted a car and recovered 56.5 kgs. of hashish and 82 kgs. of ganja. The driver has been arrested.

No precise value of the seized drugs can be determined as this is dependent upon various factors like purity of the drugs, place of origin, local demand and supply, etc.

(c) With the enforcement of the Narcotic Drugs and Psychotropic Substances Act, 1985 providing for deterrent punishments for drug offence cases, the drive against drug traffickers/smugglers has been intensified, both by the Centre and the States. Narcotic Cells have been created in the Customs and Central Excise Collectories and in the State Police organisations. The other counter-measures taken by the Government against drug trafficking include strengthening of the preventive and intelligence machinery,

especially around borders, adoption of a liberalised reward scheme for officers and informers, strengthening of bilateral co-operation between neighbouring countries (including regional co-operation under the aegis of SAARC). The situation is also kept under constant watch for appropriate action.

**Management of M/s. Nicholas Laboratories India Ltd.**

**10997. PROF. MADHU DANDAVATE :** Will the Minister of FINANCE be pleased to state :

(a) whether the employees of M/s. Nicholas Laboratories India Ltd. Sion (Deanar) Bombay has offered to buy 39.5 per cent of the company shares held by Aspro-Nicholas Plc. U.K. through Saraf-Lee Corporation (Chicago) at prices fixed by the Reserve Bank of India ;

(b) if so, whether the house of Piramals have offered to pay more and are therefore preferred by the foreign party ; and

(c) if so, whether Government propose to intervene in favour of employees as per their policy to encourage employees participation in management ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) Four employees of Nicholas Laboratories India Ltd. made a representation that the employees of the Indian Company should be allowed to purchase the 39.95% of the equity held by Aspro-Nicholas Plc., U.K. but no specific proposal has been received by RBI for purchase of these shares under Section 19(5) of FERA, 1973. RBI has informed that three of the four above employees have withdrawn their above representation for employees participation and have seconded the offer of purchase by house of Piramals.

(b) Reserve Bank of India has received a proposal for the sale of 584,760 shares from Aspro Nicholas Plc., U.K., to Swastik Safe Deposit of Investment Ltd.,

Bombay, a company under the control Shri Ajay Piramal.

(c) In view of (a) this does not arise.

**Short and long term strategy for National Textile Corporation**

**10998. SHRI YASHWANTRAO GADAKH PATIL :**

**SHRI S. B. SIDNAL :**

Will the Minister of TEXTILES be pleased to state :

(a) whether the National Textile Corporation has drawn up a new short and long term strategy to bring about a turnaround including amalgamation of its mills ;

(b) if so, the details thereof ; and

(c) whether Government have accorded approval thereto ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) to (c). NTC has formulated a turn-around strategy based on selective modernisation with the help of institutional finance, restructuring of units, closure of uneconomic activities, labour rationalisation on the basis of voluntary resignations, etc. Formulation of the strategy as such is within the purview of NTC.

**National Credit Relief Fund**

**10999. SHRI YASHWANTRAO GADAKH PATIL :** Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to revive the national credit relief fund to compensate the commercial banks and other credit institutions for any loss by way of writing off of loans considered unrecoverable ; and

(b) if so, the details thereof ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) and (b). A decision has

been taken to establish a National Agricultural Credit Relief Fund for providing relief to farmers affected by natural calamities, on a systematic basis. Details relating to corpus of the fund, conditions for release of assistance, modalities of operation etc. have not yet been finalised

**Textile Workers' Rehabilitation Fund Scheme for Jute Units**

11000. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of TEXTILES be pleased to state :

(a) whether the Textile Workers' Rehabilitation Fund Scheme is proposed to be extended to cover jute units ; and

(b) if so, the details and implications thereof ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). Government have approved a Scheme of Rehabilitation of jute mill workers of those mills which are permanently closed and unviable and a sum of Rs 10 crores has been earmarked under the Jute Special Development Fund for this purpose.

**New IMF Programme for Debtor Countries**

11001. SHRI V. KRISHNA RAO : Will the Minister of FINANCE be pleased to state :

(a) whether International Monetary Fund (IMF) has agreed to a new assistance programme that would cushion debtor against rise in interest rates ;

(b) if so, the salient features thereof ;

(c) whether India will be benefited by this scheme ; and

(d) by what time this decision is likely to be implemented ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d). The Interim

Committee of the International Monetary Fund (IMF) at its meeting held in Washington on April 14-15, 1988 has agreed that while the essential features of the existing Compensatory Financing Facility should be preserved, the Fund assistance for export short-falls and external contingencies should be combined into a single Facility with an overall access limit of 105% of quota. Within this overall access limit of 105% of quota a limit of 40% of quota would apply both to the compensatory element and to the contingency element and an optional tranche of 25% of quota would be available to supplement either elements at the choice of the members. The extent and nature of coverage for interest rate developments under the External Contingency element, is yet to be discussed by the IMF Board. The actual benefit to member countries would depend on the extent to which the new scheme provides access to larger resources on acceptable terms according to the priorities of the countries concerned.

**Trade Negotiation on Global System of Trade Preference**

11002. SHRI G. S. BASAVARAJU : SHRI S. B. SIDNAL :

Will the Minister of COMMERCE be pleased to state :

(a) the outcome of the first round of trade negotiations on Global System of Trade Preference held at Belgrade (GSTP) ; and

(b) how many countries participated in the Conference ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DASMUNSI) : (a) Forty-eight countries exchanged tariff concessions during the first round of negotiations which concluded at the Ministerial Meeting of the Negotiating Committee on GSTP held in Belgrade. The meeting adopted the Agreement on GSTP which incorporates these tariff concessions.

(b) Seventy-one countries (excluding organisations) attended the meeting. Out of these sixty-two countries were members

of the GSTP Negotiating Committee and forty-eight of them exchanged tariff concessions.

**Credit to Algeria to Finance Indian Projects and Exports**

11003. SHRI G. S. BASAVARAJU :

SHRI S. M. GURADDI :

SHRI S. B. SIDNAL :

Will the Minister of FINANCE be pleased to state :

(a) whether India has decided to grant Rs. 130 crores as credit to Algeria for financing major Indian projects and boosting exports of Indian goods to Algeria ;

(b) if so, whether any agreement in this regard has been signed ;

(c) if so, the details thereof ; and

(d) the items of exports to Algeria during 1988-89 ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d). During the Fourth Session of the Indo-Algerian Joint Commission held in New Delhi in March, 1988, there was a broad agreement between the two sides regarding extension of a suppliers credit of US \$ 100 million by the Export-Import Bank of India for financing the exports to Algeria of eligible Indian goods and services, on a case to case basis. The suppliers credit is intended to finance the export of eligible Indian capital goods, engineering goods and related services as well as the export of eligible Indian technical consultancy services, etc. The Indian side had made available to the Algerian side an illustrative list of items for export from India to Algeria. The list, *inter alia*, included items like packet tea, spices & cardamom, tobacco and tobacco manufactures, jute manufactures, chemicals including dyes, drugs and pharmaceuticals, engineering goods including all types of plants and machinery, transportation equipment, power generation and transmission equipment, diesel engines, etc.

**Loss in Textile Mills of Uttar Pradesh**

11004. SHRI G.S. BASAVARAJU :

SHRI S.B. SIDNAL :

Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that textile mills in Uttar Pradesh have suffered heavy loss during 1986-87 ;

(b) if so, the details thereof and the reasons therefor ; and

(c) the names of other textile mills in the country which have suffered losses during the last three years ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Certain textile mills in Uttar Pradesh did suffer heavy losses during 1986-87.

(b) and (c). The reasons for the losses were financial difficulties, labour trouble etc. The details of profit and loss accounts of individual textile mills are not maintained by the Union Government.

**Misuse of advance licensing facility**

11005. SHRI G. S. BASAVARAJU : Will the Minister of COMMERCE be pleased to refer to the news item captioned "Big PSF import racket detected" appearing in the 'Financial Express' dated 18th April, 1988 and state :

(a) whether Government are aware of a massive racket in import of duty-free polyester staple fibre (PSF) by misuse of the advance licensing facility ;

(b) if so, the action taken by Government thereon ; and

(c) the steps being proposed to check the misuse of advance licensing facility ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DASMUNSI) : (a) to (c). The news item has come to the notice of Government. Information is being collected and will be laid on the Table of the House.

**Proposal for Pension Adalat  
at AG's office Bangalore**

11006 SHRI V. S. KRISHNA IYER : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that a large number of pension cases are pending for sanction in the office of the Accountant General, Bangalore ;

(b) if so, whether there is any Pension Adalat being held once in 15 days ; and

(c) if not, whether Government propose to take steps to arrange Pension Adalat in the Office of the Accountant General, Bangalore ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI (B. K. GADHVI) :** (a) 935 pension cases of State Govt officers retiring upto 31.3.1988 were pending in the office of A. G. Karnataka as on 31.3.1988. In addition, 935 cases of revision and 193 family pension cases were pending in the A.G.'s office as on 31.3.1988.

(b) and (c). The initiative for setting up of Pension Adalats has to come from the State Government of Karnataka. So far there has been no proposal from the State Government on setting up of Pension Adalats. If the State Government decides to hold such Adalats the Accountant General, Karnataka will extend all help and assistance.

**Leave travel concession facility in  
State Bank of Mysore**

11007. SHRI V. S. KRISHNA IYER : Will the Minister of FINANCE be pleased to state :

(a) the amount given to employees of the State Bank of Mysore once in four years if they avail of leave travel concession ;

(b) the total number of kilometres of journey allowed ;

(c) the amount given to employees in other nationalised banks towards leave travel concession ;

(d) whether the amount paid to employees of the State Bank of Mysore towards leave travel concession is less as compared to other nationalised banks; and

(e) if so, the action proposed to be taken by Government in this regard ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):** (a) to (e). Leave fare concession admissible to the workman employees of the public sector banks is governed by the relevant provisions of the industry-level Bipartite Settlement. State Bank of Mysore has reported that an employee availing leave fare concession is re-imburshed the amount spent on the travel towards journey performed by eligible class for himself and eligible family members. The total number of kilometres allowed would depend on the option given by him. Since the bank is following the provisions of Bipartite Settlement, with respect to leave fare concessions, the question of paying less than what is admissible in other banks would not arise.

**Challans towards payment of income tax  
received by nationalised banks in Bangalore**

11008. SHRI V. S. KRISHNA IYER : Will the Minister of FINANCE be pleased to state :

(a) the total number of branches of the nationalised banks kept open on 31 March, 1988, a general holiday, to receive challans towards payment of income tax by the assessees in Bangalore city ;

(b) the total number of payments received on that day in all branches of the nationalised banks ;

(c) the total number of employees drafted for work in all the nationalised bank branches which were kept open for the above purpose ;

(d) the total amount paid towards overtime allowance to the employees drafted for the above work on that day ;

(e) whether it is a fact that in some branches only few challans were received ; and

(f) the steps proposed to be taken by Government to avoid such wastage of public money in future ?

THE MINISTER OF STATE IN THE

DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):  
(a) to (d). Information is indicated in the Table below :

Total No. of branches of nationalised banks kept open on 31.3 1988 in Bangalore City	No. of challans and the amount received.		No. of employees drafted and the overtime allowance (OTA) paid		
	No. of challans	Amount (Rs.)	No. of employees	OTA paid (Rs.)	
23	2299	20,02,469 80	118	7,077.84	

(e) No, Sir.

(f) Does not arise.

Duty Hours in State Bank of Indore

[Translation]

11009 SHRI RAJ KUMAR RAI : Will the Minister of FINANCE be pleased to state :

(a) whether there are any special concessions allowed to the leaders of employees union of State Bank of Indore in matters of duty hours ;

(b) if so, the reasons therefor ;

(c) if not, whether it is a fact that some union leaders do not attend according to the prescribed office duty hours ; and

(d) if so, the action taken or proposed against them ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d). Information is being collected and to the extent available and possible will be laid on the Table of the House.

Shifting of State Bank of Indore Employees Union office

11010. SHRI RAJ KUMAR RAI : Will the Minister of FINANCE be pleased to state :

(a) whether Government are considering to shift the State Bank of Indore Employees Union office from the bank Head Office to some other place ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):

(a) No, Sir.

(b) Does not arise.

[English]

Import of cotton from Pakistan

11011. SHRI H. N. NANJE GOWDA : Will the Minister of TEXTILES be pleased to state :

(a) whether a delegation of Pakistan cotton exporters visited India to explore the possibilities of selling cotton to India;

(b) whether Union Government held a meeting with Pakistan and Indian traders ; and

(c) if so, the main points discussed and the outcome thereof ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) A delegation of Karachi Cotton Association visited India in March, 1988 at the invitation of East India Cotton Association.

(b) No formal meetings took place with the delegation at the Governmental level.

(c) Government are not aware of the discussions with the Indian traders by the Pakistan delegation.

**Action plan to curb drug trafficking**

11012. SHRI H.N. NANJE GOWDA :  
SHRI SRIBALLAV PANIGRAHI :

Will the Minister of FINANCE be pleased to state :

(a) whether Government are preparing an action plan to curb drug trafficking; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT KUMAR PANJA) : (a) and (b) A Cabinet Sub-Committee, under the Chairmanship of the Home Minister, has been constituted to review and suggest various measures for combating drug trafficking and for preventing drug abuse. A comprehensive action plan has been recommended by the said Committee for implementation.

**Allotment of flats to branch managers of State Bank of Indore**

*[Translation]*

11013. SHRI C. JANGA REDDY : Will the Minister of FINANCE be pleased to refer to the reply given on 8th April 1988 to Unstarred Question No 6478 regarding allotment of flats to branch managers by the State Bank of Indore and state :

(a) the purchase price of each of the flats purchased in Asiad premises ;

(b) the amount of rent (per flat) charged from the branch managers ;

(c) whether it is a fact that the amount of rent charged from the bank managers is less while the monthly expenditure on the maintenance thereof is more ; and

(d) if so, the measures being taken to check the loss to be incurred due to these flats in future ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d). State Bank of Indore has reported that the cost per flat provided to their Branch Managers is Rs. 7.25 lacs including cost of furniture and fixture. The rent of accommodation is charged from officers in terms of the Bank's Service Regulations. There is no recurring monthly expenditure on flats except water and electricity charge which are borne by the officers concerned. However since the flats are the property of the Bank, major expenditure of capital nature if any, is to be borne by the Bank.

**Wool Bank in Pithoragarh District in Uttar Pradesh**

11014. SHRI HARISH RAWAT : Will the Minister of TEXTILES be pleased to state :

(a) whether the Wool Bank has been set up in Pithoragarh District in Uttar Pradesh with a view to make available wool in adequate quantity to woollen handlooms ;

(b) if so, the total quantity of wool made available to weavers of woollen clothes by the bank during the last three years ;

(c) whether Government have received complaints to the effect that the bank is not supplying wool of good quality to the weavers ; and

(d) if so, the remedial steps taken or proposed to be taken by Government in this regard ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) In order to make available woollen yarn to handloom weavers in Pithoragarh District of Uttar Pradesh, U.P. State Handloom Development Corporation has set up 3 Wool Bank-cum-Production Centres, one each at Dharchula, Munsiyari and Didihat.

(b) Upto 1987-88, the Corporation had made available 15 tonnes of woollen yarn through these Centres to the weavers.

(c) No, Sir.

(d) Does not arise.

**Opening of regional offices of Canara Bank and Punjab and Sind Bank in Almora and Pithoragarh (U.P.)**

**11015. SHRI HARISH RAWAT :** Will the Minister of FINANCE be pleased to state :

(a) the number of branches of Canara Bank and the Punjab and Sind Bank in the six hill districts of Uttar Pradesh ;

(b) whether in view of the increasing number of the branches and the increasing activities of these banks in these hill areas Canara Bank and Punjab and Sind Bank propose to open their regional offices there ; and

(c) if so, the time by which these regional offices will be opened ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) Reserve Bank of India (RBI) has reported that as at the end of December, 1987, 16 branches of Canara Bank and 20 branches of Punjab and Sind Bank were functioning in the hill districts of Uttar Pradesh as per details given below :

Name of District	Total number of branches of	
	Canara Bank	Punjab & Sind Bank
1. Pauri Garhwal	7	1
2. Tehri Garhwal	1	—
3. Chamoli	—	1
4. Uttarkashi	—	—
5. Almora	4	—
6. Pithoragarh	—	1
7. Nainital	—	3
8. Dehradun	4	14
<b>Total</b>	<b>16</b>	<b>20</b>

(b) and (c) The Punjab and Sind Bank has already a regional office at Dehradun. It has no proposal to set up any additional regional office. The Canara Bank has no regional office in any of these 8 Districts. RBI has reported that Canara Bank has submitted a proposal to shift one of its Divisional Office from Lucknow to Dehradun and that no decision has been taken yet.

**Loans given under IRDP and Self Employment Schemes by Canara Bank Branches**

**11016. SHRI HARISH RAWAT :** Will the Minister of FINANCE be pleased to state :

(a) the total number of persons who were proposed to be given loan under the Integrated Rural Development Programme (IRDP) and Self-Employment Scheme during 1986-87 and 1987-88 by various branches of Canara Bank functioning in Almora District of Uttar Pradesh ;

(b) whether the bank has achieved the target ; and

(c) if not, the target fixed in this regard by the bank for 1988-89 and the steps being taken by the bank for achieving the target ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) to (c). The information is being collected and will be laid on the Table of the House to the extent available.

**Assistance to Uttar Pradesh in 1988-89**

**11017. SHRI HARISH RAWAT :** Will the Minister of FINANCE be pleased to state :

(a) the amount of assistance recommended by various study teams for allocation to Uttar Pradesh during the years 1987-88 and 1988-89 ;

(b) whether this entire amount has since been released to the State ; and

(c) if not, the time by which this amount is proposed to be released ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B K. GADHVI) :** (a) No study team has been sent to U.P. by the Ministry of Finance during 1987-88 and 1988-89.

(b) and (c). Does not arise.

**Companies enjoying Credit Authorisation Scheme Facility**

*[English]*

**11018. SHRI SURESH KURUP :** Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India issued instructions to penalise defaulting companies which are enjoying credit authorisation scheme facility ; and

(b) if so, the outcome of the said instructions, in details ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE ( SHRI EDUARDO FALEIRO) :** (a) and (b). The Credit Authorisation Scheme (CAS) is essentially an instrument for the regulation of credit availed of from the banking system by large borrowers. The banks obtain prior authorisation of Reserve Bank of India before releasing money in cases having working capital limits of more than Rs 7 crores for export oriented units and Rs. 6 crores for others. The borrowers covered by credit authorisation scheme have also to submit quarterly statements to banks. The Reserve Bank of India has advised the banks to enforce quarterly information system discipline more effectively and they are authorised to charge a penal interest of 1 per cent per annum on total outstandings for the period of default in the event of non-submission of returns by the borrowers. Reserve Bank of India has issued instructions that borrowers under CAS should progressively move towards bill culture from book debt financing. The inland credit sales by way

of bills should not be less than 25 per cent of the aggregate limits utilised for this purpose. The borrowers not attaining this level by 1st April, 1988 should be deprived of bank finance to the extent of shortfall.

**Oil Smuggling Racket**

**11019. SHRI SANAT KUMAR MANDAL :** Will the Minister of FINANCE be pleased to state :

(a) whether his attention has been drawn to the news item captioned, "Customs officials, shipping agents in Rs. 10 cr. smuggling racket" appearing in the "The Sunday Observer" New Delhi dated 17-23 April, 1988 ;

(b) if so, the facts of the case ; and

(c) the steps Government propose to take or has taken against the racketeers and the officers involved in the case ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) :** (a) to (c). Government are aware of the news item published in the 17-23 April, 1988 issue of 'Sunday Observer' containing reported allegation to the effect that certain contractors employed by shipping agents at Madras, Kandla and Bombay port smuggle lubricating oil in connivance with Customs and Port Trust officials by mis-declaring it as sludge oil, causing considerable loss of revenue to the Government. No import of sludge oil has been noticed at Kandla or Madras during the last two years. The Customs authorities at Bombay have detected some cases involving mis-declaration of lubricating oil/furnace oil as sludge oil by certain contractors during the last two years. No customs official has been found to be involved in this regard. These cases have been dealt with according to law.

**Board of Directors of Swadeshi Polytex Ltd.**

**11020 DR. B. L. SHAILESH :** Will the Minister of TEXTILES be pleased to state :

(a) whether Union Government have studied the Supreme Court's final verdict

on the ownership of the controversial shares held by the Swadeshi Cotton Mills and Swadeshi Mining and Manufacturing Co. Ltd. in the Swadeshi Polytex Ltd., Ghazibad (SPL) in pursuance of which Union Government become the single largest shareholder with the about 50 per cent shares in the SPL ; and

(b) if so, what action is being taken to reconstitute the existing Boards of Directors of the SPL and ensure proper and profitable management of this Company ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) In the Annual General Meeting of Swadeshi Polytex Ltd. held on 29.3.1988, the Board of Swadeshi Polytex Ltd. was reconstituted.

#### Foreign aid for Product Relief

11021. SHRI R.P. DAS :

SHRI ANIL BASU :

Will the Minister of FINANCE be pleased to state :

(a) how Government propose to expend foreign aids received as drought relief and ;

(b) the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). Foreign loan and assistance received for drought relief are being used for meeting the foreign exchange requirements on the additional imports of essential commodities and materials, necessitated by the drought.

#### [Translation]

News Item "New Exim Policy will hit Small Exporters"

11022. SHRI RAM DHAN :

SHRI BALWANT SINGH RAMOOWALIA :

"Will the Minister of COMMERCE be

pleased to state :

(a) whether Government's attention has been drawn to the news items appearing in the "Economic Times" dated 10 April, 1988 under the caption "New Exim Policy will hit SSIs small exporters" ;

(b) if so, whether Government have reconsidered the suggestions given by the Delhi Exporters Association in this regard; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI PRIYA RANJAN DASMUNSI) :

(a) Yes, Sir.

(b) and (c). The Import and Export Policy is kept under constant review and necessary modifications would be made, if and when required.

#### [English]

Funds for tribal area of irrigation plan of Madhya Pradesh

11023 SHRI PARASRAM BHARDWAJ : Will the Minister of WATER RESOURCES be pleased to state :

(a) the percentage of tribal population in Madhya Pradesh with respect to total population of the State ;

(b) the percentage of minor irrigation funds being allocated to tribal area sub-plans of the State by State irrigation Department ;

(c) whether Union Government approve use of special central assistance to supplement the plan funds of Madhya Pradesh Government for minor irrigation of tribal area sub-plan ;

(d) whether Government propose to treat the minor irrigation programme of the State directly tribal family benefit oriented and provide proportionate special central aid to supplement the funds ; and

(e) if so, the details in this regard ?

**THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) :** (a) 22.97%.

(b) 50% in the Seventh Plan.

(c) Yes, Sir.

(d) and (e). The special Central assistance is released by the Centre as an additive to the State plan funds for tribal areas programme. The sector-wise allocation of the funds is decided by the State Governments in accordance with guidelines issue by the Ministry of Welfare.

#### Rubber plantation in Orissa

**11024. DR. KRUPASINDHU BHOI :** Will the Minister of COMMERCE be pleased to state :

(a) the different organisations/corporations dealing with rubber plantation in Orissa ;

(b) the details of the steps taken by those organisations corporations to increase area under rubber plantation in Orissa so far ; and

(c) the new areas identified for rubber plantation in Orissa ?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DASMUNSI) :** (a) to (c). The Orissa Forest Corporation, Orissa Plantation Development Corporation and Simlipahar Development Corporation are the three State Corporations engaged in rubber cultivation in the State. Besides approximately thirty local private land owners have also planted rubber in a small scale. The Rubber Board has already established a zonal office at Bhubaneswar and two field offices at Dhenkanal and Berahampur. A Regional Research Station is also being established at Kamakhyanagar. Extension Services and distribution of high yielding planting material is arranged through these establishments. All agencies undertaking rubber cultivation are being assisted financially and technically by the Rubber Board. The districts of Mayurbhanj, Balasore, Dhenkanal, Cuttack, Puri, and Ganjam have been identified as agro-

climatically suitable for rubber, provided limited dry weather irrigation for supplementing the available rainfall is given.

#### Trade expansion with Japan through Festival of India

**11025. DR. KRUPASINDHU BHOI :** Will the Minister of COMMERCE be pleased to state :

(a) whether some recent efforts have been made through the Festival of India to expand trade ties with Japan ;

(b) if so, the details of the steps taken to expand economic cooperation between India and Japan ; and

(c) the new areas identified for expansion of trade ?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DASMUNSI) :** (a) and (b). Yes, Sir. A number of trade promotional measures have been undertaken to derive commercial advantage out of the publicity generated during the Festival of India in Japan. These include India Promotion Fairs/Exhibitions by leading Japanese department store chains. During July-August, 1988 Trade Development Authority of India will be co-ordinating a 'Made in India Fair' at Kobe in which 8 product groups covering carpets and floor coverings ; home furnishings and made-ups ; readymade garments, fashion accessories ; leather goods and garments ; gold jewellery ; handicrafts, giftware and novelties ; processed foods including marine products ; and light engineering goods will be put up for weekly displays.

(c) Tea, textiles and garments, diamonds and gold jewellery, leather products, handicrafts and home furnishings and light engineering goods have been identified as thrust sectors for marketing in Japan.

#### Posts lying vacant in banks in Orissa

**11026. DR. KRUPASINDHU BHOI :** Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that a large number of posts are lying vacant in different banks in Orissa ;

(b) if so, the number of posts lying vacant there and since when ;

(c) the steps taken to make recruitment against those posts ; and

(d) the details thereof ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):** (a) to (d). As per available information, received from most of the public sector banks having their branches in Orissa some vacancies do exist in various cadres of their branches in the State. The banks are however, taking steps to fill up these vacancies by means of transfers/internal promotions and fresh recruitments wherever necessary.

#### Rehabilitation of Textile Mills

**11027. DR. KRUPASINDHU BHOI :** Will the Minister of TEXTILES be pleased to state :

(a) whether Government have taken steps for the revival and rehabilitation of textile mills in the country which have fallen sick ;

(b) if so, the number of sick textile mills revived and suitably rehabilitated during 1987-88 ;

(c) the amount spent on the rehabilitation of those mills ; and

(d) the details thereof ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) Yes, Sir.

(b) to (d). The revival of sick, but potentially viable, textile mills is an ongoing process, dependent on various factors, requiring infusion of financial assistance from time to time. Therefore, the ultimate quantum of such assistance and the time span required for the revival of such mills cannot be definitely stated.

#### Spinning mills in Orissa

**11028. SHRI RADHAKANTA DIGAL :** Will the Minister of TEXTILES be pleased to state :

(a) whether his Ministry has received any application from private sector to set up spinning mills in Orissa ;

(b) if so, the number and names of such private sector companies ; and

(c) the consideration made on those applications ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) No new application is pending at present for the grant of an industrial licence for private sector spinning mills in Orissa.

(b) and (c). Do not arise in view of (a) above.

#### Allocation of fund for major and medium irrigation projects

**11029. SHRIMATI JAYANTI PATAIKA :** Will the Minister of WATER RESOURCES be pleased to state :

(a) the Seventh Five Year Plan outlay fixed for execution of major and medium irrigation projects in Orissa ;

(b) the amount of allocation made to that State for execution of major and medium irrigation projects in the Seventh Five Year Plan so far (year-wise) ;

(c) the strategy adopted for execution and completion of various on going major and medium irrigation projects ; and

(d) the progress made in the completion of those projects ?

**THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) :** (a) The approved outlay for major and medium irrigation projects in Orissa for the Seventh Plan is Rs 550 crores.

(b) According to the draft Annual Plan 1988-89 of the State Government, the actual expenditure incurred during the first two years is as under :

1985-86	Rs. 89.14 crores
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1986-87	Rs. 106.74 crores
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The approved outlays for the other two years of the Plan are as under :

1987-88	Rs. 159.13 crores
1988-89	Rs. 153.03 crores.

(c) and (d). The strategies adopted include prioritisation of projects for completing those which are in an advanced stage by augmenting the resources and availing external assistance wherever feasible. Out of 8 major and 30 medium projects under implementation in the Seventh Plan, 2 major and 15 medium projects are expected to be completed during the Plan period.

#### **Opening of Regional Rural Banks in Orissa**

11030. SHRIMATI JAYANTI PATAIK : Will the Minister of FINANCE be pleased to state :

(a) whether Government have a proposal for the expansion of regional rural banks during 1988-89 financial year ;

(b) if so, the number of new branches of regional rural banks proposed to be opened in Orissa in the above financial year ;

(c) the new schemes proposed to be introduced in the regional rural banks in Orissa during the period ; and

(d) the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Reserve Bank of India has reported that it had allotted 65 centres among the 9 RRBs in Orissa, for opening of new branches during the entire branch licensing policy period 1985-1990 (upto 31-03-1990) Out of these 18 new branches have been opened so far. Regional Rural Banks in Orissa have been advised by RBI that the opening of branches at the allotted centres should be evenly spread over the remaining period of the Current expansion programme i.e. upto the end of March, 1990.

(c) and (d). While banks may introduce specific Schemes in specific Area depending

on local requirements, the overall operational thrust of regional rural banks lending would continue to be towards assisting the small and marginal farmers and weaker sections in rural areas for undertaking production ventures in different branches of the rural economy. Some specific schemes such as one for rubber cultivation, rabbit rearing, horticulture, poultry, inland fish ponds and minor irrigation have been sanctioned by NABARD for refinance to some of the Regional Rural Banks in Orissa.

#### **Bungling in State Bank of Indore**

[*Translation*]

11031. SHRI MANVENDRA SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether cases of bungling by some officers of the State Bank of Indore in the name of stationery and printing have come to notice and if so, the details thereof ;

(b) the reasons for getting the stationery of the bank printed from outside Indore and the number of employees found guilty in this case ; and

(c) whether the bank management propose to get the stationery of bank printed from Government press and if so, the date from which it will be done ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) State Bank of Indore has reported that no case of bungling by its officers in the name of stationery and printing has come to the Bank's notice.

(b) and (c). The Bank has reported that since Government printing presses usually have so much work of their own, they are unable to take up printing of stationery on behalf of public/other institutions. The Bank has further reported that there is no security printing press in Indore. The Bank is, therefore, getting its security forms, like cheques/drafts/mail transfers/term deposit receipts etc., printed through other security printers empanelled by Reserve Bank of India. The Bank has

also intimated that none of its employees has been found guilty/involved while getting the Bank's stationery printed from outside Indore.

**[English]**

**Action against officers of State Bank of Indore**

**11032 SHRI MANVENDRA SINGH :** Will the Minister of FINANCE be pleased to state the number of officers, general managers, assistant general managers, regional managers, accountants and branch managers in the State Bank of Indore, who were (i) dismissed, (ii) compulsorily retired, (iii) prematurely retired, (iv) suspended and (v) on whom major/minor penalties were inflicted on inquiries conducted by the CBI during the period from January, 1985 till date on charges of corruption, illegal advances financed by them etc. ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** State Bank of Indore has reported that during the period 1985 to 10.5.1988, 5 officers have been dismissed/compulsorily retired/prematurely retired/placed under suspension from the Bank's service or awarded major/minor penalties as a result of inquiries conducted by the CBI on charges of irregular advances financed by them. The Bank has also reported that it had accorded sanction to the CBI for the prosecution of one officer on the basis of which CBI have filed the case in the Court of Special Judge, Jabalpur. The Bank has further reported that no enquiry on charges of corruption was conducted by CBI during the above period.

**[Translation]**

**Irregularities in appointment of temporary employees in State Bank of Indore**

**11033. SHRI MANVENDRA SINGH :** Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that irregularities were committed by officers of Delhi branch of the State Bank of Indore

in making appointment of temporary employees during the year 1985 ;

(b) if so, the findings of the inquiry conducted against the guilty officers ; and

(c) whether it is also a fact that the officers found guilty have been given promotion during the current year and the details thereof ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) to (c). Information is being collected and to the extent available and possible will be laid on the Table of the House.

**Messengers in Indian Overseas Bank**

**11034. SHRI BANWARI LAL BAIRWA :** Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that more than 200 persons are working as messengers in Indian Overseas Bank on purely temporary basis for more than three years with two days break in their services every month ;

(b) if so, the details thereof, bank's region-wise ;

(c) the reasons for giving two days break every month in their services and the reasons for not making their services permanent in the bank ; and

(d) the steps taken by the Government in this regard ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :**

(a) to (d). Indian Overseas Bank has reported that the Bank maintains panels of temporary persons at branches/offices. The services of these persons are utilised as temporary messengers in leave/temporary vacancies, as and when necessary, on rotational basis. The region-wise details of such persons in the approved panels and working during leave/temporary vacancies are given in the Statement

below. As these persons are engaged as temporary messengers in leave etc. vacancies, their services are not utilised continuously. Candidates from these panels are considered for permanent appointment as and when vacancies arise subject to relevant norms followed by the bank.

**Statement**

Region	No. of Persons
Ahmedabad	35
Bombay (Metro)	13
Bombay (Non-Metro)	23
Bhubaneshwar	49
Calcutta (Metro)	40
Calcutta (Non-Metro)	50
Bangalore	32
Hyderabad	30
Vijayawada	47
Karaikudi	17
Tirunelveli	13
Madurai	25
Chandigarh	37
Lucknow	36
New Delhi	28
Tanjore	33
Trichy	13
Pondicherry	3
Madras	85
Vellore	34
Salem	6
Coimbatore	19
Ernakulam	62
Trivandrum	40
Central Office	80
<b>Total</b>	<b>855</b>

**Foreign Travel Scheme**

11035. SHRI DAULATSINHJI JADEJA : Will the Minister of FINANCE be pleased to state :

(a) the salient features of the Foreign Travel Scheme of the Reserve Bank of India presently ; and

(b) the foreign exchange allotted under Foreign Travel Scheme during 1987 ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) (i) Resident Indian citizens are eligible for the Foreign Travel Scheme facility for visits to any country except Nepal and Bhutan and countries covered by the Neighbourhood Travel Scheme (NTS) viz : Bangladesh, Burma, Maladive Island, Malaysia, Mauritius, Pakistan, Seychelles Island and Sri Lanka, once in three years i.e., if the applicant has not travelled to any foreign country under the Scheme during the preceding two calendar years.

(ii) Such travellers are entitled to draw foreign exchange upto and equivalent to US \$ 500 per capita and minors upto the age of 12 years are entitled to draw 50% of the normal exchange quota i.e. US \$.250 or its equivalent.

(iii) If a traveller holding a renewed passport is unable to produce his previous passport he will be eligible to avail of exchange under the Scheme only on completion of two full calendar years covered under his current passport.

(iv) The traveller should avail of entire amount of US \$ 500 (US \$.250 for minors upto the age of 12 years) or its equivalent or any lesser amount as he may desire before his departure from India. No part of the amount can be remitted to the traveller after his departure.

(b) Information regarding foreign exchange released under the Foreign Travel Scheme during 1987 is not available. The latest available information pertains to

the year 1986 when Rs. 157.53 crores was released under this Scheme.

**Awards to the employees of Anti-tax evasion department**

11036. K. V. THOMAS : Will the Minister of FINANCE be pleased to state :

(a) the tax evasion cases registered during the last three years ;

(b) whether awards are given to the employees of the anti-tax evasion department in the Directorate of Revenue Intelligence ; and

(c) if so, the award given during the last three years ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT KUMAR PANJA) :** (a) The number of prosecutions launched for various offences, including tax evasion, under Direct Tax Laws, during the last three years are as under :

Year	No. of prosecutions launched
1985-86	4079
1986-87	5258
1987-88	7361

Particulars relating to evasion cases of Central excise are given below :

Year	No. of cases detected
1985	7402
1986	7521
1987	6663

The number of cases booked under the Customs Act, 1962 involving seizure of contraband goods during the last three calendar years are given below :

Year	No. of seizure cases
1985	60077
1986	52194
1987	55873

(b) Yes, Sir.

(c) The amount of rewards paid to officers of Directorate of Anti-Evasion and Directorate of Revenue Intelligence are given below :

Year	Officers of Dte. of Anti-Evasion (Rs. in lakhs)	Officers of Dte. of Revenue Intelligence (Rs. in lakhs)
1985	8.33	51.54
1986	24.02	153.26
1987	45.71	100.21

**Mango Export**

11037. PROF. K. V. THOMAS : Will the Minister of COMMERCE be pleased to state :

(a) whether mangoes are exported ;

(b) if so, the quantity of mangoes exported for the last three years ; and

(c) the steps taken to increase mango cultivation and production ?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DASMUNSI) :** (a) Yes, Sir.

(b) Quantity of mangoes exported during the last three years is as follows :

1985-86	16,460 tons.
1986-87	10,500 tons.
1987-88	14,900 tons

(April '87—Jan. 88)

(c) (i) Government of India is implementing a scheme through National Horticulture Board for production and supply of quality planting material in respect of mango and other fruits.

(ii) A Central Sector Scheme on Elite Progeny Orchards is in operation for Production and supply of quality planting material of fruits including mango.

(iii) Various State Govts. are implementing programmes for production and distribution of quality planting material of mango.

(iv) Research on production aspects is being attended to by the Indian Council of Agricultural Research for improving the productivity and quality of mango under different agro-climatic conditions.

#### Quality of Indian tea

11038. PROF. K. V. THOMAS : Will the Minister of COMMERCE be pleased to state :

(a) whether there is a complaint that the quality of tea exported is coming down ;

(b) if so, the action taken to improve the quality of tea ;

(c) whether the price of Indian tea in the international market is high as compared to tea from other countries ; and

(d) if so, the action proposed to be taken to have a healthy competition between Indian tea and the tea from other countries ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DASMUNSI) : (a) No, Sir.

(b) Does not arise.

(c) and (d) Yes, Sir. India maintains a much higher unit value realisation as compared to other leading tea exporters.

(US Dollar per kg.)

	1986
India	2.27
Sri Lanka	1.58
Kenya	1.83

The following major steps have been initiated for enhancing exports of Indian teas and value added teas

(1) Tea Board have been undertaking generic and uniautonal promotional campaign in different countries for promotion of export of tea.

(2) Excise duty rebate 50 paise on all teas exported.

(3) Full excise duty rebate on teas going into packets as well as the duty on packets

(4) Provision of 10% of FOB realisation for advertising and promotion by individual companies abroad.

(5) Sanction of schemes under the Brand Promotion Fund and under Warehousing Subsidy Scheme.

(6) A Committee to formulate long-term strategy and plan for tea has been constituted.

(7) A National Committee on Tea Research has been constituted.

(8) A Rs. 10 crores Corpus of tea research has been initiated.

(9) Leading Tea Exporters have been asked to draw up their export plan as a part of their corporate plan for the next 5 years.

(10) Increase in the rate of REP. license for packet tea, tea bags and instant tea with effect from 1.4.1988.

(11) REP at the rate of 4% of the f.o.b. value of bulk tea exported with effect from 1.4.1988.

(12) Customs duty on import of 8 machines used for processing and packaging of tea has been reduced to an advalorem rate of 35%.

#### Amendment in Gold Control Act

11039. PROF. K. V. THOMAS : Will the Minister of FINANCE be pleased to state :

(a) The quantity of gold in the country ;

(b) the quantity of gold used for productive purposes ; and

(c) whether Government propose to amend the Gold Control Act so that the entire gold in the country is used for productive purposes ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA) :** (a) The quantity of gold in the country as declared to the Government and held by the Mints and Reserve Bank of India as assessed in March, 1987 is 508.734 tonnes.

(b) The total gold used for industrial purposes during the years 1985, 1986 and 1987 are 882.72 kgs , 872.44 kgs. and 990.91 kgs. respectively.

(c) There is no such proposal.

#### **Requirement-vs-production of cotton for yarn**

**11040. SHRIMATI USHA CHOU-DHARY :** Will the Minister of TEXTILES be pleased to state :

(a) the annual requirement of cotton for yarn by handloom and textile industry in the country ;

(b) whether the indigenous production of cotton is enough to meet its requirement ; if not, the steps taken to increase the production of cotton ; and

(c) whether Government propose to reconsider its move to import cotton during the current year ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) and (b). In a normal cotton season, the production of cotton is adequate to meet the mill consumption and ex-factory consumption of cotton. The annual requirement of cotton for mill consumption for production of yarn for handloom sector and textile industry is estimated at 94 to 95 lakh bales. Measures taken to improve productivity in cotton production include use of improved seeds, pesticides, fertilisers and adoption of better agricultural practices. Besides, the minimum support prices are

fixed so as to provide an incentive to the farmers for increasing production.

(c) While no appreciable demand supply gap is envisaged during the current cotton year, some shortage of cotton is anticipated during the lean season till the arrival of next year's crop into the market. Government are keeping a close watch on the cotton situation and do not rule out the possibility of import of cotton if the circumstances so warrant.

#### **Foreign Exchange for State projects**

**11041. SHRI SAIFUDDIN CHOWDHARY :** Will the Minister of FINANCE be pleased to state :

(a) whether Government have cleared foreign exchanges requirements for the projects of the States of Jammu and Kashmir, and Maharashtra ;

(b) if so, the details of clearance thereof ;

(c) what are the reasons for delay in clearing the projects of West Bengal ; and

(d) the date by which the projects of West Bengal will be cleared ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) :** (a) to (d). Foreign exchange requirements for projects of the States are considered on a case to case basis in the Ministry of Finance and the administrative Ministries concerned, based on specific requests by the State Governments in accordance with the existing regulations and procedures for the release of foreign exchanges. Details in this regard can be given if the Honourable Member mentions the project or the proposal of the State Governments.

#### **Loans to unemployed youths in Maharashtra**

**11042. SHRI R. M. BHOYE :** Will the Minister of FINANCE be pleased to state :

(a) the number of applications received by the banks in Maharashtra under the Self-employment for Educated Unemployed Youth programme (SEEUY) ;

(b) the number of applications out of them which have been rejected and the number of those which have been sanctioned ; and

(c) the names of those banks which have sanctioned them ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) and (b). Reserve Bank of India (RBI) has reported that under the scheme for Self Employment for Educated Unemployed Youth (SEEUY) in the State of Maharashtra, during 1983-84 to 1986-87, against the target of 76,800 District Industries Centres (DICs) sponsored 1,46,344 applications out of which loans were sanctioned in 70,560 cases. Final position for the year 1987-88 has not yet become available. Earlier, banks were not required to report the information regarding number of applications rejected under the scheme. The RBI has modified data reporting system and information regarding rejected applications will be available for 1987-88.

(c) SEEUY Scheme is being implemented by all scheduled commercial banks.

#### **Nationalisation of Srinivas Mill of Bombay**

**11043. DR. DATTA SAMANT :** Will the Minister of TEXTILES be pleased to state :

(a) whether Government of Maharashtra has suggested to Union Government to nationalise M/s Srinivas Mills of Bombay ; and

(b) if so, the action taken by Union Government in the matter ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) The Maharashtra Government has sought the Union Government's concurrence to nationalise Srinivas Mills, Bombay.

(b) The matter is under consideration.

#### **Nationalisation of Textile Mills**

**11044. DR. DATTA SAMANT :** Will the Minister of TEXTILES be pleased to state :

(a) whether Government have taken a decision not to nationalise any textile mill in future ;

(b) if so, the reasons for this decision; and

(c) the names of textile mills recommended by State Government for nationalisation and the decision taken by Union Government thereon ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) and (b). No, Sir.

(c) State Government of Maharashtra have sought the concurrence of the Central Government for the nationalisation of mills (i.e.) Srinivas Cotton Mills, Bombay and M/s. Khandesh Mills, Jalgaon. No decision has been taken in this regard.

#### **Advanced Reward to Excise Officers and Staff in Kerala**

**11045. SHRI VAKKOM PURUSHOTHAMAN:** Will the Minister of FINANCE be pleased to state :

(a) the amount of money sanctioned and disbursed by the Collector of Central Excise, Cochin to Excise Officers and staff as advance reward on the alleged duty evaded by the Small Scale Industrial Units in Kerala after issuing show cause notice to the units during the last three years, unit-wise ;

(b) the actual amount of evaded duty realised from each of these units after adjudication ; and

(c) the procedure for regularising the advance reward sanctioned to the Central Excise Officers and the staff if the alleged amount is not realised from the unit later ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT KUMAR PANJA) :** (a) to (c). A statement is given below.

## Statement

(a) and (b). Unitwise information on the amount of reward sanctioned and disbursed to the Officers and staff of Cochin Central excise collectorate in the cases of alleged duty evaded by the Small Scale Industries in Kerala, is given below :—

Sl. No.	Name of the Unit	Reward sanctioned and disbursed (Rs.)	Amount realised (Rs.)
1	2	3	4
<b>1985-86</b>			
1.	Rampant Rubber	3950	Appeal pending before CEGAT
2.	M.S.M. Sallbeen Sahib	970	11211
3.	ANMR No. 100 Photo Mark Beedi	450	4929.61
4.	Abdul Sathar No. 1 Photo Beedi	250	2846.44
5.	Kumar Beedi Co.	3550	37448.80
Total :		9170	56435.00
<b>1986-87</b>			
1.	Aysha Beedi	1150	72500
2.	Narendran Sons	12000	100000
3.	Vitco Rubbers	48350	Appeal pending
4.	Priya Rubber	106800	Appeal pending
5.	M.S.M Chedi Mark Beedi	40	1117.50
6.	T.M. Satheesan	300	3202.50
7.	Tharangini Records	225	2690.45
8.	Melody record Library	300	3365.25
9.	Kangaroo Beedi Co.	4250	Appeal pending
10.	City Beedi Workers	260	2788.35
11.	Kerala State Wood Industries	1450	15753
12.	New Rocket Beedi Co.	22350	Appeal pending
13.	Mani Mark Beedi	33500	Realisation pending

1

2

3

4

14.	Man Mark Beedi Co.	800	8690 50
15.	Lamira Rubber Works	234750	Adjudication pending
16.	Quilon Saw Mills	8550	40000
17.	Arathy Rubbers	69500	Realisation pending
18.	AZHIKODE Beedi	700	
19.	K. Ummer and Sons	550	
20.	Asiatic Rubro Complex	159900	Adjudication pending
21.	International Rubber Works	183000	-do-
22.	Chandrika Printers	96600	450000
23.	Nirmal Beverages	270	2228
24.	Azhikode Beedi Workers Co.- Op. Society	275	2803
25.	Chinthia Beedi Co.	380	1216
26.	Poabs Battery	95200	820000
27.	National Electronics	13385	20000
28.	Kerala Girish Beedi	3110	Appeal pending
29.	Udaya Rubber Works	16750	-do-
30.	Bharat Machine	18100	90562
31.	Standard Rubber Works	148150	Adjudication pending
32.	Raly Rubbers	194400	-do-
33.	Ram Rubber	80925	Realisation pending
Total :—		1541690	1636916

1987-88

1.	Babu Pattom	440	4,400/-
2.	G. Rajendran	440	4,400/-
3.	V. Pavithran	440	4,400/-

1	2	3	4
4.	Gilbert Prince	440	4,400/-
5.	K.V. Girijayan	440	4,400/-
6.	K.M. Abraham	440	4,400/-
7.	H.M.B. & 38 Carton of Cigarettes	624	3120 Realised in full (sales proceeds)
8.	Propt. India, Kaloor	172250	Adjudication pending
9.	Sedsel Rubber	101790	Appeal pending before CEGAT
10.	Tread Mark Rubber Inds.	198250	Adjn. pending
11.	Ashoka Rubber Works	19690	Appeal pending
12.	Jolly Rubber Vallivattom	180650	Adjn. order under issue
13.	A.B. Beedi Depot.	2725	-do-
14.	Tharangini Records	7000	Appeal pending
15.	John Kurien	750	Rs. 8,800/-
16.	Udaya Rubber Works	350	—
17.	P & P Rubbers	2175	Realisation pending
18.	Kalyan Auto Garage	3625	Rs. 32,000/-
19.	Malabar Rural Industry	875	Rs. 6,100/-
20.	SIDE CO, Trivandrum	1700	Rs. 40,997.50
Total :—		695054	1,17,417.50

(c) Advance reward is sanctioned and paid (upto 25% of 20% of the duty evaded i.e. 5% of duty) after issue of the show cause notice provided the authority competent to sanction the reward is satisfied that there is reasonable chance of evasion being established in adjudication and sustained in appeal/revision proceedings. However, in rare cases where the duty evaded is not realised, there is no provision at present in reward rules for recovery of any amount granted as advance rewards.

**Opening of Bank Branches in Alleppey District**

11046. SHRI VAKKOM PURUSHOTHAMAN: Will the Minister of FINANCE be pleased to state :

(a) the number of branches of nationalised and scheduled banks functioning in Alleppey District in Kerala ;

(b) the number of branches of nationalised banks proposed to be opened in 1988-89 ; and

(c) the places where these branches are proposed to be opened ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) Reserve Bank of India (RBI) has reported that as at the end of December, 1987, 106 branches of Public Sector Banks and 86 branches of other Indian scheduled commercial banks were functioning in Alleppey District of Kerala.

(b) and (c). On the basis of list of identified centres received from the State Government of Kerala, RBI has allotted two centres namely Kamalapuram and Avalukunni to banks for opening branches in rural and semi urban centres in Alleppey District of Kerala. In addition, on the basis of applications made by banks themselves, RBI has allotted two urban centres namely Alleppey—Civil Station and Alleppey—Convent Square to banks for opening branches in the urban centres during the current Policy period upto March, 1990. Year-wise targets for opening branches have not been prescribed, RBI has advised the banks that branches at the allotted centres should be opened in a phased manner during the remaining period of the current Branch Licensing Policy. As such, it is not possible at this stage to indicate the number of branches that will be opened during the year 1988-89.

**Subarn Rekha, Rengali, Indravati and Kolab Irrigation Projects of Orissa**

**11047. SHRI BRAJAMOHAN MOHANTY:** Will the Minister of WATER RESOURCES be pleased to state :

(a) whether Subarn Rekha, Rengali, Indravati and Kolab irrigation projects of Orissa have been held up and are not progressing due to want of required funds ;

(b) if so, whether Government have placed these projects for external financial assistance; if so, the details thereof ;

(c) whether Union Government are considering any proposal for central finan-

cial assistance; if so, the details thereof ; and

(d) whether these irrigation projects are likely to be completed early ?

**THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) :** (a) to (d). Early completion of projects would depend upon the availability of funds. There is no proposal for Central assistance. Two projects, however, have been posed for external assistance. These are (i) Upper Indravati Irrigation and (ii) Upper Kolab Irrigation projects.

**Study on IMF Role in Currency Fluctuations**

**11048. SHRI BRAJAMOHAN MOHANTY :** Will the Minister of FINANCE be pleased to state :

(a) whether any study has been made about the role of International Monetary Fund on World Currency Management and its role to combat currency fluctuations ; and

(b) if so, the details thereof ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) According to available information, no such study has been prepared by the IMF.

(b) Does not arise.

**Licences for setting up Cigarette Companies in Nepal**

**11049. SHRI RAM BHAGAT PASWAN :** Will the Minister of COMMERCE be pleased to refer to the reply given on 20 November, 1987 to Starred Question No. 233 regarding permission to MNC's to set up Cigarette factories in Nepal and state :

(a) whether some more companies have been issued licences to set up cigarette factories in Nepal during 1987-88 ;

(b) if so, the details thereof ; and  
 (c) the number of applications pending for clearance ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) No, Sir.

(b) Does not arise.  
 (c) There is no proposal pending for setting up such JVs.

**Amount released to States**

11050. SHRIMATI BASAVARAJESWARI : Will the Minister of FINANCE be pleased to state :

(a) the total amounts released by Union Government to the State Government in 1987-88 as shares in the taxes, grants-in-aid, supply grant, other grants ; plan assistance ; and

(b) the names of the State Governments and the funds received by them by way of devolution of funds for the years 1985-86 to 1987-88 ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). Statements showing amounts released to various State Governments by the Ministry of Finance during the financial years 1985-86 (Statement-I), 1986-87 (Statement-II) and 1987-88 (Statement-III) are given below :

## Statement I

Amount released to States by the Ministry of Finance during 1985-86

(Rs. Crores)

States	Share in Central Taxes	Other Statutory grants awarded by 8th Fin. Commission	Central assistance for State Plans	Assistance for natural Calamities	Loan against small savings collections	Other term loans	Margin Money for Natural Calamities	Total (Col. 2 to 8)
1	2	3	4	5	6	7	8	9
1. Andhra Pradesh	381.53	19.21	330.23	51.50	128.50	206.98	12.25	1330.20
2. Arunachal Pradesh	—	—	—	—	—	—	—	—
3. Assam	265.53	102.35	429.08	12.45	55.71	118.21	3.63	986.96
4. Bihar	855.17	35.47	539.23	15.69	264.39	4.58	16.87	1731.40
5. Gujarat	284.98	6.35	204.26	2.44	269.75	61.79	14.37	843.94
6. Haryana	85.57	1.75	160.74	10.26	68.04	74.94	2.25	403.55
7. Himachal Pradesh	101.29	59.05	169.88	31.82	26.89	2.37	0.88	392.18
8. J & K.	146.37	107.43	326.45	2.12	17.07	—	0.75	600.19
9. Karnataka	356.00	3.41	195.47	51.53	166.15	221.27	3.00	996.83
10. Kerala	266.21	6.32	279.34	106.68	48.65	241.86	2.50	951.56
11. Madhya Pradesh	589.44	35.71	318.62	46.36	137.60	67.43	2.37	1197.53

	1	2	3	4	5	6	7	8	9
12. Maharashtra	522.96	14.92	336.63	65.80	559.81	24.27	3.63	1528.02	
13. Manipur	55.94	41.97	98.92	0.38	0.62	15.00	0.13	212.96	
14. Meghalaya	45.53	33.86	64.37	1.76	3.39	—	0.13	149.04	
15. Mizoram	—	—	—	—	—	—	—	—	
16. Nagaland	58.56	51.64	123.31	—	0.87	17.95	0.13	252.46	
17. Orissa	346.21	88.76	201.84	8.26	46.77	43.72	13.12	748.68	
18. Punjab	121.89	5.74	252.31	42.43	113.07	378.39	3.00	916.83	
19. Rajasthan	325.30	41.94	223.54	73.39	115.10	31.71	8.37	819.35	
20. Sikkim	11.60	10.40	45.72	2.14	0.07	—	0.13	70.06	
21. Tamil Nadu	516.74	6.28	301.94	40.85	125.44	38.98	4.37	1034.60	
22. Tripura	67.45	49.83	92.08	2.23	3.31	—	0.37	215.27	
23. Uttar Pradesh	1262.47	39.10	748.57	110.83	377.15	338.88	16.25	2893.25	
24. West Bengal	623.52	177.83	196.88	—	374.22	205.99	11.84	1590.28	
25. Goa	—	—	—	—	—	—	—	—	
<b>TOTAL :</b>	<b>7490.26</b>	<b>939.32</b>	<b>5639.41</b>	<b>678.92</b>	<b>2902.57</b>	<b>2094.32</b>	<b>120.34</b>	<b>19865.14</b>	

## Statement II

Amount released to States by the Ministry of Finance during 1986-87

States	Share in Central Taxes	Other Statutory grants awarded by 8th Financs Commission	Central assistance for State Plans	Assistance for natural Calamities	Loan against small savings collections	Other term loans	(Rs Crores)		
							1	2	3
1. Andhra Pradesh	657.09	12.67	291.97	153.56	132.00	—	—	12.25	1259.54
2. Arunachal Pradesh	—	—	17.41	—	—	—	—	—	17.41
3. Assam	299.76	111.14	493.69	22.00	53.00	—	—	3.62	983.21
4. Bihar	966.45	21.97	452.28	7.00	224.44	—	—	16.88	1689.02
5. Gujarat	322.65	6.35	219.79	126.16	273.19	—	—	14.38	962.52
6. Haryana	97.06	1.75	130.60	12.82	75.00	—	—	2.25	319.48
7. Himachal Pradesh	121.43	56.38	172.49	11.92	30.05	—	—	0.87	393.14
8. J. & K.	170.45	107.80	359.22	13.00	21.52	—	—	0.75	672.74
9. Karnataka	403.73	3.42	195.56	46.68	170.71	—	—	3.00	823.10

	1	2	3	4	5	6	7	8	9
10. Kerala	300.83	3.37	269.02	16.81	58.32	—	2.50	650.85	
11. Madhya Pradesh	667.58	15.48	342.68	35.67	95.67	15.00	2.38	1172.46	
12. Maharashtra	593.28	14.91	349.84	102.37	572.00	—	3.62	1636.02	
13. Manipur	68.11	35.68	105.97	2.67	0.96	—	0.12	213.51	
14. Meghalaya	55.25	28.73	91.62	1.04	3.53	—	0.12	180.29	
15. Mizoram	—	—	9.32	—	—	—	—	9.32	
16. Nagaland	72.67	48.44	135.57	—	0.88	20.00	—	277.56	
17. Orissa	374.98	95.35	241.26	—	44.19	—	5.32	761.10	
18. Punjab	138.29	3.73	390.65	8.14	139.55	13.92	3.00	697.28	
19. Rajasthan	367.89	32.14	236.61	142.57	95.40	—	8.38	882.99	
20. Sikkim	14.14	13.25	53.39	1.50	0.06	—	0.12	82.46	
21. Tamil Nadu	585.07	6.34	274.27	26.90	121.00	—	4.38	1017.96	
22. Tripura	81.71	39.81	107.57	—	4.00	—	0.38	233.47	
23. Uttar Pradesh	1427.60	16.96	779.43	40.50	333.98	—	16.25	2614.72	
24. West Bengal	678.26	169.99	241.70	10.57	350.55	—	11.91	1462.98	
25. Goa	—	—	—	—	—	—	—	—	—
<b>TOTAL :</b>	<b>8464.28</b>	<b>845.66</b>	<b>5961.91</b>	<b>770.88</b>	<b>2800.00</b>	<b>48.92</b>	<b>112.48</b>	<b>19013.13</b>	

## Statement III

*Amount released to State by the Ministry of Finance during 1987-88*

States	Share in Central Taxes	Other Statutory grants awarded by 8th Finance Commission	Central assistance for State Plans	Assistance for natural Calamities	Loan against small savings collections	Other term loans	(Rs. Crores)		
							6	7	8
1	2	3	4	5	6	7	8	9	
1. Andhra Pradesh	732.08	30.60	3,9.12	42.85	136.60	—	12.25	1273.50	
2. Arunachal Pradesh	63.32	30.21	133.27	4.00	0.48	—	0.07	231.35	
3. Assam	338.40	124.94	556.21	39.72	161.87	—	3.63	1124.77	
4. Bihar	1077.25	42.76	500.84	37.45	173.13	—	16.88	1848.31	
5. Gujarat	360.62	6.34	254.34	283.35	367.71	—	14.38	1286.74	
6. Haryana	107.53	1.75	59.33	32.35	109.59	—	2.25	312.80	
7. Himachal Pradesh	142.57	53.46	234.81	22.47	48.60	—	0.88	507.79	
8. J. & K.	194.02	123.22	418.84	26.95	38.28	—	0.75	802.06	
9. Karnataka	451.11	3.42	192.44	16.84	143.99	—	3.00	810.80	

	1	2	3	4	5	6	7	8	9
10.	Kerala	335.61	10.37	208.76	43.82	94.20	—	2.50	695.26
11.	Madhya Pradesh	743.78	60.12	379.22	75.03	130.16	—	3.38	1390.69
12.	Maharashtra	667.25	14.92	332.06	43.54	573.47	—	3.63	1635.77
13.	Manipur	80.87	38.44	120.03	—	0.96	—	—	240.30
14.	Meghalaya	65.29	30.24	108.20	—	4.60	—	—	208.33
15.	Mizoram	65.33	27.62	63.67	—	0.29	—	—	156.91
16.	Nagaland	87.76	47.73	159.56	4.09	1.29	—	0.25	300.68
17.	Orissa	402.14	109.33	261.61	21.11	53.30	—	20.93	868.42
18.	Punjab	155.45	10.09	698.56	53.57	174.92	—	3.00	1095.59
19.	Rajasthan	410.32	30.54	266.65	456.09	100.96	—	8.38	1272.94
20.	Sikkim	16.81	9.87	60.36	3.70	0.50	—	0.13	91.37
21.	Tamil Nadu	653.90	6.28	346.38	48.02	99.03	—	4.38	1157.99
22.	Tripura	96.67	38.80	125.62	—	6.16	—	—	267.25
23.	Uttar Pradesh	1593.12	61.21	914.49	109.52	483.63	—	16.25	3178.22
24.	West Bengal	728.66	236.97	263.84	24.95	285.67	—	11.88	1551.97
25.	Goa	27.95	13.29	130.90	—	7.16	—	—	179.30
TOTAL		9597.81	1162.52	7110.01	1394.42	3096.55	—	127.80	22489.11

**Growth of public sector banks**

**11051. SHRIMATI BASAVARAJESWARI :** Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that there is a fall in the growth of public sector banks ; and

(b) if so, the reasons for the short-fall in the growth of these banks ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):**

(a) and (b). Presumably the Hon'ble Member wants to know the growth of business of public sector banks. During the year 1987 the business of public sector banks increased by 12.5 percent as against 17.0 percent during the year 1986. Lower growth rate of bank business during 1987 is mainly attributable to a decline in the deposit growth rate and rate of growth of real income caused by the unprecedented drought.

**Telugu Ganga issue**

**11052. SHRIMATI BASAVARAJESWARI :** Will the Minister of WATER RESOURCES be pleased to state :

(a) whether recently there have been discussions between the representatives of his Ministry and of Government of Karnataka on Telugu Ganga issue ;

(b) if so, what were the main points of discussions ;

(c) whether any concrete formulae have been evolved ;

(d) if so, the details thereof ; and

(e) to what extent Union Government are satisfied with the views taken by the Karnataka on the issue ?

**THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) :** (a) Yes, Sir.

(b) to (e). Discussions covered inter-State aspects and possible ways of reaching an acceptable solution.

**UNDP Assistance**

**11053. SHRIMATI BASAVARAJESWARI :** Will the Minister of FINANCE be pleased to state :

(a) whether a meeting was held on 16th April, 1988 for distributing additional amount of the United Nations Development Programme (UNDP) to various developing countries ; and

(b) if so, the matters discussed in the meetings and outcome thereof ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):**

(a) and (b). Yes, Sir. Finance Minister in his meeting with Administrator, UNDP at New York on 16th April, 1988 raised the question of allocation of the estimated surplus amount of approximately \$ 600 million available with UNDP and stressed the need for ensuring that India gets an appropriate share of these additional resources. Final decisions on the allocations of these additional resources are to be taken at the forthcoming meeting of the Governing Council of UNDP in June, 1988.

**Export of items of applique from Orissa**

**11054. SHRI NITYANANDA MISHRA :** Will the Minister of TEXTILES be pleased to state :

(a) whether Orissa produces high quality of items of applique work ;

(b) whether the export possibility of these items has been assessed ;

(c) if so, the details thereof ;

(d) what promotional steps are being taken to boost their export ; and

(e) if already on export list, the export performance during the last 3 years ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA):** (a) to (e). A statement is given below.

**Statement**

(a) Yes, Sir.

(b) & (c). The possibility of export of applique work produced in Orissa was assessed in 1985 by the Indian Institute of Foreign Trade, New Delhi. The Institute has furnished a detailed report suggesting measures to be undertaken during the period 1985-90 for promotion of exports of these items in the World Market.

(d) The following steps are being taken to boost the export of applique :

- (1) The Export Promotion Council for Handicrafts has been set up to promote handicrafts including applique work in foreign markets.
- (2) Distinguished items of applique are being displayed on Boards rented out by the Trade Development Authority in their offices at New York (USA), Delhi, Calcutta and Bombay which are visited by foreign buyers.
- (3) The Orissa State Cooperative Handicrafts Corporation Ltd. participates in India International Trade Fairs held in New Delhi and has also established contacts with importers of items relating to applique work.

(e) Applique products are not separately codified in exports trade statistics and hence the figures for its exports are not available.

**Irrigation potential of Orissa**

**11055. SHRI NITYANANDA MISHRA:** Will the Minister of WATER RESOURCES be pleased to state :

(a) the irrigation potential already available in Orissa is not being used due to lack of feeder channels ;

(b) whether the State Government has made any request to Union Government for assistance/loan for feeder channels ;

(c) if so, whether Union Government propose to provide soft loan/assistance to State Government for the purpose ; and

(d) if so, the details thereof and the amount released by Government ?

**THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI):** (a) There is lag between irrigation potential created and utilised. Till 1986-87, potential created in Orissa was 1569 thousand ha. and utilisation was 1524 thousand ha. in the major-medium sector. This lag is on account of several reasons, including inadequacy of field channels.

(b) to (d). Centrally sponsored command area development (CAD) programme covers provision of field channels. Irrigation projects of Hirakud, Salandi, Mahanadi delta and Potteru-Satigud have been included for assistance under the Centrally sponsored C.A.D. Programme, and a sum of Rs. 1885.09 lakhs has so far been released to the State of Orissa for execution of CAD Programme.

**Assistance by Banks under Self Employment Programme**

**11056. PROF. NARAIN CHAND PARASHAR :** Will the Minister of FINANCE be pleased to state :

(a) whether any mid-term appraisal of the performance of nationalised banks during the Seventh Five Year Plan in the implementation of 20-Point Programme and especially in the extension of credit under the various self employment and anti-poverty programmes has been undertaken by Government or the Planning Commission ;

(b) if so, the results thereof for each nationalised bank and whether efforts would be made that adequate credit is made available to those covered by these programmes during the second half of the plan ;

(c) if not, whether any evaluation of the performance of the nationalised banks would be undertaken by Government or the Reserve Bank of India during the remaining years of the Seventh Five Year Plan ; and

(d) if so, the likely date by which it would be done ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE ( SHRI EDUARDO FALEIRO ) :** (a) to (d). The performance of the banks on the implementation of 20-Point Programme is continuously moni-

tored by Reserve Bank of India. The progress in implementation of the programme is also reviewed by the Boards of Directors of various banks periodically. The number of beneficiaries assisted and the amount outstanding under the 20-Point Programme has been steadily increasing. Details of credit assistance provided by the public sector banks in the implementation of the 20-Point Programme are indicated below :

Year ended	No. of Accounts (in lakhs)	Amount outstanding (Rs. in crores)
December, 1985	127.95	6684.19
December, 1986	151.73	7896.90
December, 1987	189.16	8599.85

As the Twenty Point Programme is multi-dimensional and the points are not mutually exclusive, bank-wise, targets for achievement have not been prescribed. Therefore, bank-wise assessment of performance in relation to set targets is not being done in respect of the 20-Point Programme.

#### **Obligation of External Assistance**

**11057. SHRI SYED SHAHBUDDIN :** Will the Minister of FINANCE be pleased to state :

(a) the outstanding obligations on external assistance as on 1 April of 1985, 1986, 1987 and 1988 in absolute terms and as percentage of the foreign exchange

reserves on the corresponding dates ; and

(b) the percentage that deposits by Non-Resident Indians form of the foreign exchange reserves on the above mentioned dates ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE ( SHRI EDUARDO FALEIRO ) :** (a) and (b). The position in regard to the external debt outstanding on Government Account, outstanding balances of deposits by Non-Resident Indians and the foreign exchange reserves as on 1st April of 1985, 1986, 1987 and 1988 is indicated below :

	(Rs. Crores)			
	(As on 1st April)			
	1985	1986	1987	1988
	1	2	3	4
1. Outstanding Debt Obligations	24004	26638	31312	36670 (Provisional)
2. Foreign exchange reserves	6817	7384	7645	7287

		1	2	3	4
3.	Percentage of Debt to Reserves	352%	361%	410%	503%
4.	Deposits by Non Resident Indians (NRE/PCNRA)	3819	5650	7847	9402 (as on 1.1.88)
5.	Percentage of Deposits to Reserves	56%	77%	103%	129%

**Concessions to Deep Sea Fishing Industry**

11058. CH. RAM PARKASH : Will the Minister of COMMERCE be pleased to state :

(a) the names of all units which are in the deep sea fishing industry, using deep sea fishing trawlers and registered as 100 per cent export oriented units ;

(b) the excise duty concessions availed by them ;

(c) whether they are being supplied diesel oil at international prices ;

(d) whether such concessions are not available to all deep sea fishing trawlers exporting their catches ; and

(e) if so, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DASMUNSI) : (a) A Statement giving the names of deep sea fishing units approved under the 100% Export Oriented Unit Shemes is given below.

(b) The 100% Export Oriented Units can avail of exemption of excise duty on their requirements of capital goods, raw materials, consumable (including HSD oil for use by deep sea fishing trawlers etc.

(c) No, Sir.

(d) and (e). Only the units approved under the 100% Export Oriented Unit

Scheme are entitled to get full excise duty exemption on diesel oil. Since there is no obligation in the case of the units, which are not covered under the 100% Export Oriented Unit scheme, to export their catch, this concession is not extended to them.

**Statement**

*Names of deep fishing units approved under the 100% Export Oriented Unit Scheme*

S No.	Name of the Unit
1	2
1.	M/s Clarion Fisheries P. Ltd., Bangalore
2.	M/s Lewis & Lewis Fisheries (India) P. Ltd., Bangalore.
3.	Shri R. Devdas, M/s Dev Fisheries P. Ltd., Bangalore.
4.	M/s Southern Sea Crafts Ltd., Madras.
5.	M/s Cholamandal Shipping Co. Ltd., Madras.
6.	M/s Leenka Exports P. Ltd., Madras.

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7. Samura Maritime Trades P. Ltd., Visakhapatnam.
8. M/s Udyan Marine Product Ltd., Madras.
9. M/s Hindustan Lever Ltd., Bombay.
10. M/s Southern Farm Fabrications Pvt. Ltd., Bangalore.
11. M/s Golden Proteins Ltd., New Delhi
12. M/s Holy Island Fisheries (P) Rameswaram.
13. M/s Seaman Fisheries Pvt. Ltd., Madras.
14. M/s Victoria Fisheries Pvt. Ltd., Rameswaram.
15. M/s Jyothi Sea Foods Pvt. Ltd., Visakhapatnam.
16. M/s Associated Fisheries Ltd., Visakhapatnam.
17. M/s Marine Fisheries Pvt. Ltd., Visakhapatnam.
18. M/s Gautam Constructions and Fisheries Pvt. Ltd., Hyderabad.
19. M/s Seal Fisheries (P) Ltd., Madras.
20. M/s Meenam Fisheries Centre Agencies P. Ltd., Madras.
21. M/s Kongu Sea Food P. Ltd., Madras.
22. M/s K.S.K. Fisheries Ltd., Calcutta.
23. Shri H.D. Simon, (M/s Salona Fishery P. Ltd.,) Madras.

24. Shri H.D. Simon, (M/s Siva Sahthy Fishery P. Ltd. under Formation), Madras.
25. Dr. Sreenath Reddy, Madras.
26. Shri H.D. Simon, (Bhredgeti Marine Line (P) Ltd.), Madras.
27. Mrs. Varalakshmi, Pradeep, M/s Parikshit Traders P. Ltd., Madras.
28. M/s Chendur Sea Foods Ltd., Madras.
29. M/s Cholamandal Marines Ancillaries Pvt. Ltd., Madras.
30. M/s Reguin Fisheries (P) Ltd., Visakhapatnam.
31. Shri A. Vellaisamy, (M/s Neptune Fisheries (P) Ltd.,) Madras.
32. M/s Remi Sea Crafts P. Ltd., Madras.
33. Shri Ranjit Singh, (M/s Spartan Foods & Marine Ltd.), Visakhapatnam.
34. Shri N. Rajsekhar, (M/s Conglo Marine Co. (P) Ltd.,) Madras.
35. Shri S.S. Vanangamudi, Madras.
36. M/s Siema Foods & Marines Ltd., Visakhapatnam.
37. Shri S.S. Dan, (M/s Asian Oceanic Sea P. Ltd.), Madras.
38. M/s Felicia Sea Crafts P. Ltd., Madras.

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39. Shri A.C. Shermugam,  
(M/s A.C.S. Fisheries P. Ltd.),  
Madras.

40. M/s Jhonson Chartering &  
Fisheries Co. P. Ltd.,  
Cochin.

41. M/s Ramani Fishing Co. (P) Ltd.,  
Madras.

42. M/s Sakti Fisheries (P) Ltd.,  
Tiruvannamalai.

43. Dr. P. Rajeshwaran,  
M/s Vilvan Marine Products  
P. Ltd.,  
Madras.

44. Shri Ved Pal Tohar,  
(M/s Tohar Foods Marine (P) Ltd.,)  
New Delhi.

45. M/s Siri Marketing Agency  
P. Ltd.,  
Gudivada. (A.P.)

46. M/s Four Season Fisheries Ltd.,  
Vizag.

47. M/s Pandian Fisheries P. Ltd.,  
Madras.

48. M/s Orissa Marituned,  
Bhubaneswar.

49. M/s Mudnur Mornes Ltd.,  
Visakhapatnam.

50. M/s Shreyas Sea Food Pvt. Ltd.,  
Bangalore.

51. M/s Shahari Fisheries Pvt. Ltd.,  
Bangalore.

52. M/s Cholamandal Shipping Co.  
Pvt. Ltd.,  
Madras.

53. M/s Madras Trawling P. Ltd.,  
-- Madras.

54. M/s A.V. Fisheries P. Ltd.,  
New Delhi.

55. M/s Fereahtha Fisheries Pvt. Ltd.,  
Dadar, Bombay.

56. M/s Mohy Dich Sea Food & Ltd.,  
Hyderabad.

57. M/s Ganapathi Sea Food P. Ltd.,  
Madras.

58. M/s Kanchanaganga Sea Food  
Ltd.,  
Vijayawada.

59. M/s Sri Sai Sea Food Ltd.,  
Hyderabad.

60. M/s Drakers Marine Food Ltd.,  
Secundrabad.

61. Shri C.H. Krishnamurthi Rao,  
Madras.

62. M/s Indu Sea Food Pvt. Ltd.,  
Hyderabad.

63. M/s Dr. M. Soy & General Food  
Ltd..  
New Delhi.

64. M/s Aesha Fisheries Pvt. Ltd.,  
Kanpur.

65. M/s Star Marine Foods Pvt. Ltd.,  
Visakhapatnam.

66. M/s South Indian Shrimps P. Ltd.,  
Hoderabad.

67. M/s Suraj Fisheries P. Ltd.,  
New Delhi.

68. M/s Great Asiatic Lanes Ltd.,  
New Delhi.

69. M/s Atlanta Shipping Ltd.,  
New Delhi.

70. M/s Jain Raj Fisheries P. Ltd.,  
Lucknow.

71. M/s M.G.R. Sea Produce,  
Calcutta.

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72. M/s Mushroom Food Products Ltd., Calcutta.

73. M/s The Manish Sea Fishing P. Ltd., Calcutta.

74. M/s Ocean Hunters Ltd., Calcutta.

75. M/s Nita Ocean Exporters P. Ltd., Calcutta.

76. M/s Sea Food Catches Ltd., Howrah.

77. M/s Space Age Technocrafts Pvt. Ltd., Calcutta.

78. M/s High Seas Ventures Ltd., Calcutta.

79. M/s G M K. Fishing Ltd., Mirzapur.

80. M/s Anchor Fisheries & Sea Food Ltd., New Delhi.

81. M/s Auro Marine Food Products P. Ltd., Hyderabad.

82. M/s Auro Marine Food Products Pvt. Ltd., Hyderabad.

83. M/s Suraj Fisheries P. Ltd., New Delhi.

84. M/s Young Fisheries P. Ltd., New Delhi.

85. M/s Austind Fisheries Pvt. Ltd., New Delhi.

86. M/s Ceanic Enterprises, Bhubaneswar.

87. M/s Mitco Pvt. Ltd., Orissa,

88. M/s Lalsum Seafoods & Marine Products P. Ltd., Bombay.

89. M/s Coastal Trowless Ltd., Visakhapatnam.

90. M/ Artina Fishing Co. (P) Ltd., Visakhapatnam.

91. M/s Century Fishing P. Ltd., Madras.

92. M/s Sea Trucks Pvt. Ltd., Cochin.

93. M/s Delta Proteins Pvt. Ltd., New Delhi.

94. M/s Annapurna Associates P. Ltd., Hyderabad.

95. M/s Sri Sitaram Annapurna Sea Foods Ltd., Srikantham, A.P, Amadalavalaga.

96. M/s Surya Sea Foods Pvt. Ltd., Hyderabad.

97. M/s Spar Marine Pvt. Ltd., Hyderabad.

98. M/s Andhra Shrimps Pvt. Ltd., Visakhapatnam.

99. M/s Andhra Shrimps Pvt. Ltd., Visakhapatnam.

100. M/s Newase Fisheries Pvt. Ltd., New Delhi.

101. M/s Bright Ocean Foods Ltd., Madurai.

102. Shri H.C. Suchdeva, New Delhi.

103. M/s Ganjathri Marine Product P. Ltd., Hyderabad.

104. M/s F.S. Kerr & Co. Pvt. Ltd., Bombay.

105. M/s Agee Mineral Pvt. Ltd., Indore.

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106. M/s Voves Marine Products, Hyderabad.
107. Shri Deepak Marwah, M/s Marwah and Associates Pvt. Ltd., New Delhi.
108. M/s Appu International Pvt. Ltd., New Delhi.
109. Shri Gautam Khanna, (M/s Embesies (P) Ltd.,) New Delhi.
110. M/s P.G.B, Sea Foods Pvt. Ltd., Visakhapatnam.
111. M/s Indamer Fisheries Pvt. Ltd., New Delhi.
112. M/s Agro-Economic Farms Pvt. Ltd. , Hyderabad,
113. M/s Yashoda Marine (P) Ltd., Secundrabad.
114. M/s Far East Marine Products, Hyderabad.
115. M/s Marwah Electronics and Equipment Pvt. Ltd., New Delhi.
116. M/s High Sea Foods Ltd., New Delhi.
117. M/s Azia Ocean Foods (P) Ltd., Visakhapatnam.
118. M/s Bangalore Marine Ltd., Bangalore.
119. Shri J Thirujoanam, M/s Emperor Fisheries International Ltd., Madras.
120. M/s Kerala State Co-Operative Federation for Fisheries Development Limited (MATSYAFED), Trivandrum.

121. M/s Kakatiya Sea Foods (P) Ltd., Hyderabad.
122. M/s Lewis and Lewis Fisheries (India) Pvt. Ltd., Bangalore.
123. M/s Ogirala Sea Foods Private Hyderabad.
124. Shri Pratap Kumar Misra, M/s Kalinga Trawlings Ltd., Bhubaneswar.
125. Shri Rameet Trehan, M/s Bobsun Impex Pvt. Ltd., New Delhi.
126. M/s Ruby Marine Foods Pvt. Ltd., Bhubaneswar.
127. M/s Shiv Ganga Fisheries Ltd., New Delhi.
128. M/s Shakun Ballabh Sea Food Udyog Pvt. Ltd., New Delhi.
129. M/s Seven Seas Products Pvt. Ltd., Pondicherry.
130. M/s Sri Vijaya Sagar Foods Products Ltd., Visakhapatnam.

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**Edible oil storage policy of S.T.C.**

**11059. CHAUDHARY RAM PARKASH :**  
**SHRI SOMNATH RATH :**

Will the Minister of COMMERCE be pleased to refer to the reply given on 15 April, 1988 to Unstarred Question No. 7066 regarding edible oil storage contracts by STC and state :

(a) whether the State Trading Corporation is presently looking for storage space for edible oil at some major ports ; and

(b) if so, the names of such ports ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) and (b). STC had floated a tender through Press inviting offers for hiring of tankage capacities on long-term basis at ports of Bombay, Calcutta, Madras, Visakapatnam and Kandla. The offers received in response to the tender are at different stages of negotiations and finalisation,

[*Translation*]

**Shoes export to USSR**

11060. PROF. NIRMALA KUMARI SHAKTAWAT : Will the Minister of COMMERCE be pleased to state :

(a) whether India propose to export shoes to Soviet Union ;

(b) if so, the names of the companies whoes shoes are to be exported to the Soviet Union ; and

(c) the earnings estimated therefrom in 1988-89 ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI PRIYA RANJAN DASMUNSI) : (a) to (c). It is for the buying organisation in USSR to identify the suppliers of shoes from India. The estimated value of exports would depend upon placement of orders, if any, with Indian suppliers.

[*English*]

**Export of Biscuits**

11061. SHRI VIJAY N. PATIL : Will the Minister of COMMERCE be pleased to state :

(a) whether export of biscuits have fallen from 4000 tonnes in 1980-81 to 821 tonnes during 1986-87 ;

(b) if so, the reasons for sharp decline in biscuits exports ; and

(c) the directions and assistance given to biscuit manufacturers from Government for increasing production of good quality biscuits for domestic consumption and export ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI PRIYA RANJAN DASMUNSI) : (a) Yes, Sir.

(b) Increase in domestic consumption of biscuits and decrease of demand from Middle East Countries which are the major importers of our biscuits are the main reasons for sharp decline in biscuits exports.

(c) Normal Industrial Concessions and incentives are available to this sector. Biscuits are reserved for development in the small scale sector.

Assistance given to biscuit manufacturers include export incentives of :

—Cash Compensatory Support of 10% (FOB).

—Import Replenishment of 24%.

—Duty Drawback facility on 'packaging material'.

**Joint ventures with North Yemen**

11062. SARIMATI JAYANTI PATAIK : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have established joint venture with North Yemen ;

(b) if so, the areas identified for joint ventures ; and

(c) the details of the joint ventures established between India and North Yemen and planned for near future ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) to (c). The Government of India does not have any joint ventures in North Yemen.

There is also no proposal pending for setting up joint ventures in North Yemen, in the near future.

## [Translation]

Quota of controlled cloth to Uttar Pradesh

11063. SHRI RAJ KUMAR RAI : Will the Minister of TEXTILES be pleased to state :

(a) whether the quota of controlled cloth and Janta saree has been allotted to Uttar Pradesh during the last three years ; and

(b) if not, the reasons therefor and the action being taken in this regard ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) Does not arise.

Appointment of employees in NTC mills in Maharashtra

11064. SHRI RAJ KUMAR RAI : Will the Minister of TEXTILES be pleased to state :

(a) the number of employees appointed on *ad-hoc*, daily wages and on permanent basis in various National Textile Corporation mills in Maharashtra during 1987-88 (till 31 March, 1988) ;

(b) the basis on which these appointments were made ; and

(c) the additional number of persons proposed to be appointed during 1988-89 ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). During 1987-88, 8 employees were appointed on permanent basis to facilitate the functioning in critical areas in addition to staff and workers employed for varying short periods to cope up with temporary rush of work.

(c) This would depend on the actual requirements.

## [English]

Missing GPF Credits in Accountant General Office

11065. SHRI PRATAPRAO B. BHOSALE : Will the Minister of FINANCE be pleased to state :

(a) how many subscribers to the General Provident Fund have complained of missing credits maintained by the various Accountants General (A.Gs) as on 31 March, 1987 and the amount involved therein ;

(b) the total amount of suspense accounts in respect of GPF with the various A.Gs. as on the above date ; and

(c) the steps taken or proposed to be taken to simplify the procedures so that the GPF accounts of the subscribers are made upto date and the subscriber/subscriber's family do not face any difficulty in case of retirement, resignation or death ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). As on 31.3.87 there were 6137 subscribers who had complained to the office of the CAG of India about their missing credits and complaints with A.Gs (14) were 19944. The amount involved cannot be precisely computed as not all subscribers indicate the amounts involved. According to the information available, the number of missing credits in all the offices of the A.G. as on 31.3.87 was 81.68 lakhs. In relation to the number of subscribers which was 45.54 lakhs, the number of missing credits as well as the number of complaints were relatively small. Amount of Provident Fund suspense in respect of nearly 46 lakhs subscribers with various A.G. on the above date was :

credit	Rs. 1,06,59,296
debit	Rs. 3,10,53,304

(c) In view of the present system of decentralised payments involving several treasuries all over the country the accounts of some subscribers remain unposted with credits/debits for some time. The position of missing credits varies from State to State depending also on the quality of primary accounts rendered to the A.G. There is, however, a constant endeavour on the part of the A.G. to accelerate settlement of Provident Fund cases. These include :

(i) adjustment of missing credits on the basis of collateral evidence ;

- (ii) payment of available balance at the time of retirement ; and
- (iii) visit of peripatetic parties to collect details of missing credits and their adjustment to the accounts.

Besides the above, the State Governments have been advised to ensure submission of applications for Provident Fund withdrawal well in advance of the date of retirement so that these cases get immediate attention.

#### **Revival of Sick Industries**

**11066. SHRI GURUDAS KAMAT :** Will the Minister of FINANCE be pleased to state :

(a) whether Government have decided to promote to concept of workers cooperative the revive sick industries ; and

(b) if so, the conditions thereof ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) and (b). RBI has reported that while considering revival of potentially viable sick units, if workers participation is found in a given situation to be the best way for revival of the unit, it could be tried. The Sick Industrial Companies (Special Provisions) Act, 1985 also makes provisions, inter-alia, for sale or lease of a sick industrial company to any person, including a cooperative society formed by the employees of such undertaking and for transfer or issue of shares in the company amongst others to the executives or employees thereof.

#### **Exchange Value of Rupee**

**11067. SHRI SYED SHAHABUDDIN :** Will the Minister of FINANCE be pleased to state :

(a) the names of currencies in the exchange basket for the determination of exchange value of the rupee ;

(b) whether the value of the rupee has gone up against any of these currencies during the last three years ;

(c) whether the value of rupee has gone down against any of these currencies during the same period ;

(d) whether the value of the rupee has remained static against any of these currencies during the same period ; and

(e) the SDR-Rupee exchange rate as on 1st January of the last three years and this year ?

#### **THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :**

(a) to (d). The exchange rate of the rupee is fixed with reference to the value of a basket of currencies, mainly of countries which are India's major trading partners. The details in regard to currency composition of the basket are, however, not divulged as such disclosure would not be in the public interest. The exchange rates between rupee and other currencies move upward or downward depending upon the fluctuations in the value of these currencies.

(e) The SDR-Rupee exchange rate prevailing at the beginning of each of the years 1984 to 1987 is indicated below :

End of	Rupees per SDR
1984	12.205
1985	13.363
1986	16.051
1987	18.268

#### **Ratio of Raw Material Import and Export of Finished Goods**

**11068. SHRI H.B. PATIL :** Will the Minister of COMMERCE be pleased to state :

(a) whether Government have conducted any study to determine the input-output ratio between import of raw material and export of finished products ; and

(b) if so, the various items in finished products covered by this study ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) and (b). Fixation of input-output ratio is a continuous process and the same is undertaken in consultation with the technical authorities. A list of items for which input-output ratio has been fixed appear in Appendix 13-C to the Import-Export Policy, 1988-91.

**Foreign Exchange Earnings from Construction Projects**

11069. SHRI H.B. PATIL : Will the Minister of FINANCE be pleased to state :

(a) the total amount of foreign exchange earnings from construction projects executed by Indian contractors abroad during the last three years, year-wise and country-wise ;

(b) the total amount of tax levied on these earnings, year-wise ; and

(c) the amount that has been allowed as deduction for labour and raw material out of these earning ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT KUMAR PANJA) : (a) to (c). The assessees who are entitled to deduction under section 80HHB of the Income-tax Act in respect of their profits and gains from construction projects executed abroad are not assessed at any particular place or with any particular assessing Officer. Such assessees may be assessed anywhere in India. There is no special Cell in the Department where information regarding a particular category of assessees like Indian contractors executing construction projects abroad is collected as collated.

**Import Duty Reduction on Food and Vegetable Processing Machine**

11070. SHRI AMARSINH RATHAWA : Will the Minister of FINANCE be pleased to state :

(a) whether the import duty reduction is 35 per cent and the reasons for selectery, include all the machinery required for fruit and vegetable processing ; and .

(b) if not, the items for which the duty is 35 per cent and the reasons for selecting those items, and also the reasons for excluding other fruit and vegetable processing machinery which will help the farm sector ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT KUMAR PANJA) : (a) and (b). A concessional rate of customs duty of 35% ad valorem is presently applicable to the following items of machinery/packaging material in terms of notification No. 125/86-Customs, dated the 17th February, 1986 :

1. Food processing machines namely : Fruit and vegetable cutting, coring, cubing, slicing, seeding, clearing, removing and stem removing machines.
2. Macaroni noodles, spaghetti, vermicelli, manufacturing machinery.
3. Vacuum fillers.
4. Sauce filling machine.
5. Homogenisers.
6. Meat processing machines namely : mincing, deboning, mixing, cutting, chopping, flaking and skinning machines (industrial types).
7. Meat tendering equipment.
8. Hamburgers and meat ball forming machine.
9. Lines for battering and frying of meat items.
10. Equipment for production of mechanical deboned meat.
11. Automatic meat filling machine with automatic weighing arrangement.
12. Coated/animated/lined carton system.
13. Retortable pouch system.

14. Sta-lox system.
15. Tray-seal system.
16. Stand-up pouch system.
17. FFS with vacuumising and inert gas flushing.
18. Gas flush packing system for flexible packages.
19. Gas and vacuum packaging system for flexible packages.
20. Automatic bottle labelling machine.
21. Coding, marking including ink jet printing machine other than over-printing machines.
22. Check weighing columetric/gravimetric fillers.
23. Aseptic packaging machinery which may also perform one or more of the following processes in addition to packaging :  
  
Pre-sterilising, pasteurising, comprising, forming, filling, sealing, coding; marking.
24. Filling and sealing machines for laminated collapsible tubes.
25. Filling for thermo-formed trays and top sealing machines.
26. Filling and sealing system for bag-in-box with or without vacuum/gas flush system.
27. Flat carton system for bagged items and solid products in pouches.
28. Case packing machine.
29. High speed automatic wrappers—other than cigarette pack wrappers.
30. On line inspection systems for filled packages.
31. Continuous vacuum thermo-forming other than blister packing for tablets.

32. Bag-in-box system.
33. Vacuum concentration machinery for manufacture of concentrated fruit juices and pulp.
34. Aseptic packaging materials, bags and drums.

This concession has been given to such goods as are considered essential for the modernisation and for improving the export potential of the processed food industry.

#### Trade with Pakistan

11071. SHRI RADHAKANTA DIGAL : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have taken steps to establish bilateral trade with Pakistan ; and

(b) if so, the areas identified for the expansion of bilateral trade between both the countries ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) (a) Yes, Sir.

(b) Trade between the State Corporations of the two countries is freely permitted. Regarding private trade, India permits import of all items by private importers as per the provisions of the Import-Export Policy.

Pakistan has recently notified a list of 249 items which can be imported from India by private parties in Pakistan. This list inter alia includes items like calculating machines, drilling rigs, duplicating machines, lifts & escalators, essential oils, citric acid, fire engines, crude drugs etc.

#### Tea production in Orissa

11072. SHRI RADHAKANTA DIGAL : Will the Minister of COMMERCE be pleased to state :

(a) whether commercial production of tea has started in the Tea Plantations undertaken in the non-traditional areas in Orissa ;

(b) if so, the total areas in that State brought under the tea plantations so far ; and

(c) the areas where production has started ?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) :** (a) Commercial production of tea has started on a modest scale in Orissa.

(b) So far 110 hectares have been brought under tea in Orissa.

(c) Production has started in a garden in Tarmakanta village of Keonjhar district.

**Inclusion of Nutmeg and Clove etc. in O.G.L.**

**11073. SHRI T. BASHEER :** Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the cash crops like nutmeg, clove etc. are included under Open General Licence (O.G.L.) in new Import-Export Policy ;

(b) if so, whether Government are aware this will adversely affect the interest of the cultivators of cash crops ; and

(c) if so, what steps Government propose to rectify this policy to save the cultivators ?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DASMUNSI) :** (a) to (c). Yes, Sir. During the current year the items canalised for import through public sector agencies were reviewed keeping in view the objectives sought to be achieved through canalisation. Only those items which are bulkable in nature or where there are advantages in bulk imports have been retained in the canalised list. On this basis certain spices viz. cloves, nutmeg etc. have been shifted to Open General Licence. These items are not major cash crops of the country.

**Import of Coir Products**

**11074. SHRI T. BASHEER :** Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the new Import-Export policy permits the import of coir and coir products ;

(b) if so, whether Government are aware that the import of coir or coir products will adversely affect coir industry in the country especially in Kerala ; and

(c) if so, what steps Government have taken to rectify this ?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DASMUNSI) :** (a) Under the current policy, coir (fibre/yarn/fabrics) is in the list of Restricted items and its import is not allowed.

(b) and (c). Do not arise in view of (a) above.

**Cigarette Export**

**11075. SHRI SYED SHAHABUDDIN:** Will the Minister of COMMERCE be pleased to state :

(a) the value of export of cigarette, year-wise, during last three years ;

(b) the share of India in the world export of cigarette ;

(c) the proportion of total production exported ; and

(d) the steps taken by Government to promote export of Cigarette ?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) :** (a)

Year	Value (in Rs. lakhs)
1985-86	211.36
1986-87	166.71
1987-88	224.31

(b) The share of India in the world export of cigarettes (in quantity terms) ranged from about 0.8% to 1.5% during the years 1982 to 1986. In 1986 India's share in world exports was about 0.9%.

(c) The proportion of total production of cigarette exported from India ranged from about 3.1% to 5.3% between the years 1982-86. In 1986 about 3.9% of total production of cigarettes were exported.

(d) Possibilities for increasing cigarettes exports are being explored during visits of trade delegations to various countries and participation in various fairs/exhibitions abroad. A delegation led by Executive Director, Tobacco Board with four members from trade visited Kuwait, PDRY (Aden), S. Arabia, U.A.E and Bahrain from 18th December, 1987 to 1st January, 1988 for export promotion of tobacco products including cigarettes. However, the prospects of increasing exports are to be viewed in the context of growing anti-smoking campaign in the major consuming countries.

**Modernisation of NTC Mills in Maharashtra**

11076. SHRI GURUDAS KAMAT : Will the Minister of TEXTILES be pleased to state :

(a) whether there is any proposal to modernise some National Textiles Corporation mills in Maharashtra State ;

(b) if so, the details thereof ; and

(c) what would be the additional expenditure for the modernisation of N.T.C. Mills in Maharashtra ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) to (c). As on 31st December, 1987, an amount of Rs. 87.51 crores has been spent on modernisation/renovation of textile mills under NTC in Maharashtra. Since modernisation is a continuous process, there would be further expenditure on modernisation of these mills.

**IDBI Assistance to Industrial Units in Maharashtra**

11077. SHRI GURUDAS KAMAT : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that financial assistance given by the Industrial Development Bank of India to the Industrial units in Maharashtra has increased in recent years ;

(b) if so, the quantum of assistance sanctioned during the years 1972-77 and 1982-87 ;

(c) whether it is a fact that IDBI has also undertaken many promotional works in Maharashtra ; and

(d) if so, the details thereof ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) and (b) The Industrial Development Bank of India (IDBI) has reported that the financial assistance sanctioned by it, to industrial units in Maharashtra, during the years 1972-77 and 1982-87 was as follows :—

		(Rs. in crores)
Year—(July-June)	Amount	
1972-77	280.99	
1982-87	2116.27	

(c) and (d). The promotional activities of IDBI in Maharashtra cover, *inter-alia* grant of assistance for Entrepreneurship Development Programmes, accredited voluntary agencies for setting up of production-cum-training centres, modernisation of existing facilities and for various research studies.

**Promotion from Clerical Grade to Officers Grade in Indian Overseas Bank**

11078. SHRI BANWARI LAL BAIRWA : Will the Minister of FINANCE be pleased to refer to the reply given on

22 April, 1988 to Unstarred Question No. 8100 regarding reservation for SC/ST in Indian Overseas Bank and state :

(a) the number of Scheduled Caste/Scheduled Tribe employees in clerical grade who have rendered more than eight years of service in Delhi Region of Indian Overseas Bank but have not been declared successful in the written test for promotion from clerical to officers grade ;

(b) whether pre-promotion training programme was ever organised for them and whether these employees were asked or allowed to undergo the training programme ;

(c) whether any member belonging to Scheduled Caste/Scheduled Tribes was included in the selection committee/departmental promotion committee in their cases ;

(d) if the replies to parts (b) and (c) above be in negative, the reasons therefor ; and

(e) the special efforts being made to promote these employees to officers grade ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) 67 (7 under process 'A' and 60 under process 'B').

(b) and (c). Yes, Sir.

(d) Does not arise.

(e) Indian Overseas Bank has reported that apart from imparting pre-promotion training to the eligible Scheduled Caste/Scheduled Tribe candidates, it has allowed to them relaxation in (i) service criteria for eligibility and (ii) in qualifying marks in written examination.

#### Share Holdings of Swadeshi Polytex Ltd.

11079. SHRI NATAVARSINH SOLANKI : Will the Minister of TEXTILES be pleased to state :

(a) whether the National Textile Corporation is considering a move by the

Managing Directors of M/s. Swadeshi Polytex Limited for purchase of shares of Swadeshi Mining and Manufacturing Company Ltd., which has now vested in National Textile Corporation upon nationalisation and judgement of the Supreme Court ;

(b) if so, the details in this regard and the reaction of Government thereto ; and

(c) whether the shareholdings of Swadeshi Polytex Limited held by financial institutions are being considered for sale and if so, what will be the mode of sale and whether it is through private negotiations with the Directors of Swadeshi Polytex Ltd., or by public auction ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) No, Sir.

(b) Does not arise.

(c) No, Sir.

#### Utilisation of Jute Modernisation Fund

11080. SHRI SANAT KUMAR MANDAL : Will the Minister of TEXTILES be pleased to state :

(a) the number of application received, approved, rejected and kept pending under Jute Modernisation Fund Scheme ;

(b) the amount utilised by those mills to whom the amount was sanctioned ; and

(c) the plans being considered for utilisation of this fund in 1988-89 ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Till the 30th April, 1988 the Financial Institutions had received 29 applications seeking assistance under the Jute Modernisation Fund Scheme. Out of these 8 applications have been sanctioned, 3 applications were withdrawn by the promoters, 3 applications were rejected and the remaining 15 applications are at various stages of processing.

(b) and (c). Till the 30 April, 1988, an amount of Rs. 1.10 crores was disbursed

to 2 mills, who have been sanctioned assistance under the scheme. The Scheme has been formulated on the assumption that the entire amount would be utilised by the jute mills over a period of 5 years at the rate of Rs. 30 crores per year.

**Missing of Demand and Collection Registers of Income Tax Department, Delhi**

11081. SHRI BALASAHEB VIKHE PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether some Demand and Collection Registers (D-&-CRs) in various wards of the Income Tax Department of Delhi circle have been reported missing resulting in a loss of crores of rupees to the Exchequer at present ;

(b) whether any investigation had been ordered into the circumstances under which these registers in various wards vanished and any responsibility fixed for officers and staff found involved ; if so, the details of its outcome ;

(c) whether there were some shortcomings in the existing set-up for the proper custody of these important registers ; if so, details thereof ; and

(d) the steps taken to plug the loop-holes ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT KUMAR PANJA) : (a) No. Sir. Only one Demand and Collection Register in the Income Tax Department at Delhi has been reported as missing. Misplacement or loss of any such Register does not necessarily result in loss of revenue. This is because of the fact that recovery of the tax due has to be pursued from individual files of the concerned taxpayers in the normal course. It is also possible to reconstruct a Register which is lost.

(b) After making enquiries, the concerned income-tax authority has initiated disciplinary proceedings against one official.

(c) No. Sir. From the fact that only a single Register has been reported as mis-

sing it appears that this is a case of individual lapse.

(d) In view of reply to part (c) above, does not arise.

**Implementation of Srinivasan Committee Report**

11082. SHRI BANWARI LAL PUROHIT :

SHRI M. V. CHANDRA-SHEKHARA MURTHY :

Will the Minister of TEXTILES be pleased to state :

(a) whether the recommendations of Srinivasan Committee Report have been implemented by the National Textile Corporation ;

(b) if not, the reasons therefor ; and

(c) what action has been taken or is proposed to be taken in respect of those officers who were identified as poor performers ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). The Srinivasan Committee was constituted by the Government and not by NTC.

(c) It has been decided to replace 'poor' graded officers with suitable candidates.

**Making of drug peddling a non-bailable offence**

11083 SHRI BANWARI LAL PUROHIT :

PROF. RAMKRISHNA MORE :

Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to make drug peddling a non-bailable offence ;

(b) if so, what other changes Government propose to make in the existing laws to check the drug menace ; and

(c) the full details thereof and by when the effective laws will be made to check drug menace in the country ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT KUMAR PANJA) :** (a) to (c). In accordance with the provisions of the Criminal Procedure Code, 1973, most of the drug trafficking offences under the Narcotic Drugs and Psychotropic Substances Act, 1985 are already non-bailable.

A Cabinet Sub-Committee has been constituted to review the various measures to combat drug trafficking including the need to strengthen the existing laws.

**Agreement with Japan for economic cooperation**

**11084. PROF. NIRMALA KUMARI SHAKTAWAT :**

**SHRIMATI MADHUREE SINGH :**

**DR. G. S. RAJHANS :**

Will the Minister of FINANCE be pleased to state :

(a) the main features of the agreement reached recently for economic cooperation between the Prime Ministers of India and Japan ;

(b) whether talks have also been held with Japanese industrialists for investment of Japanese capital in India ; and

(c) the names of industries to be set up by them in India and the details of the facilities to be provided to them ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):**

Details of assistance are :

Type of assistance	Sanctions	Disbursements
( In lakhs of Rs. )		
Rupee loans	1722.00	399.00
Foreign currency loan	763.00	72.00
Guarantees	273.00	—
Underwriting subscription	35.00	—
	2793.00	471.00

(a) to (c). During his visit to Japan to inaugurate the Festival of India there, the Prime Minister took the opportunity to discuss bilateral matters with the Japanese Prime Minister including greater economic and technical cooperation between the two countries. He also met and exchanged views with representatives of the Japanese business community.

**Assistance by SCICI to small Fishing units**

**11085. SHRI MURLIDHAR MANE :** Will the Minister of FINANCE be pleased to state :

(a) whether Government have reviewed the functioning of Shipping Credit and Investment Company of India (SCICI) so far as financing of small units in fishing industry is concerned ;

(b) if so, whether Government are satisfied with the performance of SCICI ; and

(c) if not, the action proposed to be taken by Government in this regard ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):** (a) to (c). Shipping Credit & Investment Co. of India Ltd. (SCICI) has been set up with effect from 16.12.1986. The SCICI finances, inter-alia, the acquisition of merchant shipping vessels and deep sea fishing trawlers.

The details of assistance rendered to fishing trawler companies by SCICI from the date of its inception till 31.3.1988 are as follows :

(i) No. of companies assisted	20
(ii) No. of vessels acquired with SCICI's assistance	39

Thus it will be seen that SCICI has been providing a substantial assistance to this sector. The Annual-Report of SCICI for the period ended March 31, 1988 indicates a profit after tax of Rs. 4.27 crores approximately.

**Excise rebate to Cement Units**

11086. SHRI MOHD. AYUB KHAN : Will the Minister of FINANCE be pleased to state :

(a) whether the cement units in the small scale sector are eligible for the benefits under Notification No. 36/87-CE dated 1.3.87 and Notification No. 124/87-CE dated 20.4.87 ;

(b) whether these units are given the excise duty rebate of Rs. 50/- and Rs. 20/- per metric tonne as per the Notifications ; and

(c) if so, how many Small Scale Industry Cement Units have got the rebate so far ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT KUMAR PANJA) : (a) to (c). The general effective rate of excise duty in respect of cement falling under sub-heading No. 2502.20 of the Schedule to the Central Excise Tariff Act, 1985, is Rs. 205/- per tonne. Excise duty rebate of Rs. 50/- per tonne is available to all cement units, including mini cement units, which have commenced production on or after the 1st April, 1986, in terms of notification No. 36/87-Central Excises dated the 1st March, 1987. Similarly, excise duty rebate of Rs 20/- per tonne is available to cement units, including mini-cement units, which have commenced production between the period 1st January, 1982 and 31st March, 1986 in terms of notification No. 124/87-Central Excises dated the 29th April, 1987. 78 mini cement units of capacity not exceeding 200 tonne per day are availing of the excise duty concessions under the aforesaid notifications.

**Foreign Shareholdings of Pfizer**

11087. SHRI DEBI GHOSAL : Will the Minister of FINANCE be pleased to state :

(a) the Pfizer, a FERA Company, has requested for disinvestment of its foreign shareholdings by 20 per cent ;

(b) if so, the broad features thereof ;

(c) whether Government would take action to protect the interest of the shareholders ; and

(d) if so, the details of action taken or proposed to be taken in the matter ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):

(a) and (b). M/s. Pfizer Corporation, USA, has submitted an application under section 19 (5) of FERA, 1973 to Reserve Bank of India to disinvestment 20% foreign shareholding from the present level of 60% to the following categories of residents :

M/s. Euphoric Pharmaceuticals Pvt. Ltd.,

the existing Indian shareholders,

the employees and Directors of Indian Company and business associates of the Indian Co

(c) and (d). RBI will take the required action under Provisions of FERA after taking various relevant factors into consideration.

**Black money under power of attorney in cities**

11088. SHRI KRISHNA SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether Wanchoo Committee had pointed out that transfer of landed property, especially in metropolitan cities, by way of "power of attorney", is one of the major causes of generation and accumulation of black money ;

(b) if so the latest assessment of Government about the extent of black money under such "power of attorney" deals ; and

(c) the steps contemplated to eliminate this evil ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA) :** (a) Transfer of ownership of flats in metropolitan cities, without the statutory requirement of registration under the Indian Registration Act, was indentified as one of the sectors generating black money in the Report of the Wanchoo Committee.

(b) The transactions in immovable property on a "Power of Attorney" basis have been recognised as resulting in generation of black money but there is no estimate of the extent of black money generated by such transactions.

(c) The Finance Act, 1987 has introduced provisions with effect from 1.4.1988 whereby any person having possession of any building or part thereof on "Power of Attorney" basis will be deemed to be the owner of that property for the purposes of the Income-tax Act and Wealth-tax Act.

The other measures adopted by the Income-tax Department for curbing the generation and investment of black money in immovable property transactions include valuation of immovable property by the valuation cell, surveys of commercial and industrial areas and searches of residential and business premises. The Central Government is also empowered with pre-emptive power to purchase the immovable property in metropolitan cities of Delhi, Calcutta, Bombay, Madras, Bangalore and Ahmedabad.

**News item "STC wins legal Battle in China"**

**11089. DR. B.L. SHAILESH :**

**SHRI CHINTAMANI JENA :**

.. Will the Minister of COMMERCE be pleased to state :

(a) whether his attention has been invited to the news items captioned "STC wins legal battle in China" appearing in the 'Economic Times', New Delhi, dated 20 April, 1988 ;

(b) if so the facts of the case and the circumstances in which the Chinese Government seized the cargo consisting of rubber and palm oil and its value ;

(c) the steps being taken to repatriate the left out cargo and the proceeds of the goods sold to the Chinese traders by Government of China ;

(d) the approximate amount of the goods thus sold by the Chinese ;

(e) whether there were similar incidents previously as shipments for and from India were diverted to other destination and goods were disposed of illegally leaving shippers insurers to take recourse to legal action ; and

(f) if so, a detailed report thereof ?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) :** (a) Yes, Sir.

(b) to (f). A Statement giving details of the case is given below.

#### Statement

(b) to (f). In July, 1985, M/s Malaysian Rubber Development Corporation, Kuala Lumpur, shipped a quantity of 2500 MT of natural rubber per vessel "TROPICAL QUEEN" from the port of Port Kelang. STC had made a payment of Rs. 221.81 lakhs to the Malaysian Corporation against receipt of documents as per terms of the contract. The vessel was due to discharge the cargo at Madras around 24th July, 1985 but it was reported that instead of coming to Madras, the vessel went to Hong Kong and then to People's Republic of China. The consignment of natural rubber was later traced to have been landed in Shantou Economic Zone (People's Republic of China).

Following reports of disappearance of vessel, a claim for Rs. 243.99 lakhs towards the total loss of consignment was lodged in August, 1985 with the insurers viz. M/s National Insurance Co. Ltd. The insurers paid to STC Rs. 2 crores 'on account' and the balance is still to be received by STC from the National Insurance Co.

For retrieval of the cargo of natural rubber lying at Shantou, STC's underwriters M/s National Insurance Co. arranged to file a suit in the Guangzhou High Court and the judgement has gone in favour of the plaintiff (STC).

The vessel "TROPICAL QUEEN" also carried a consignment of 3 Parcels of Palm Fatty Acids Distillate (PFAD) amounting to 1450 tonnes for import in India. Payment for one of the parcels of PFAD was initially released by STC under reserve. No payment was made for the two balance parcels of PFAD. On account of the vessel having been diverted, STC called back the payment of one parcel through banking channels. STC did not, therefore, prefer any claim for PFAD.

The judgement of the Chinese High Court has ordered that the natural rubber cargo totalling 1567 MT (recovered out of the original 2500 MT shipped) be returned to the plaintiff who must reship the rubber cargo at their own cost. STC's insurers, M/s National Insurance Co. to whom rights to cargo had been subrogated by STC are to arrange either to sell the cargo within China or to ship it to a port such as Singapore where it can be disposed off. The proceeds of such disposal would go to the National Insurance Co. As regards PFAD, no claim has been filed by STC as STC had been paid for the cargo.

A similar incident occurred in August 1984, when (a) a consignment of 1800 MT of PFAD on board 'Ocomos Prosper' was illegally diverted. Part of the PFAD cargo (875 tonnes) was off-loaded at Singapore. This was retrieved from there in good order and shipped to India at the cost of Insurance Company. The balance quantities of PFAD was considered as lost and paid for by the Insurance Company, and (b) a consignment of 1800 MTs of Natural Rubber was also on board the same ship. This too was illegally diverted. The consignment was considered a total loss in view of the fact that the goods had been stolen. It is understood that these reached Taiwan to whom these were illegally sold by a Thai Company. M/s National Insurance Co. Ltd paid STC's claim in full in this case too. Shipment

of natural rubber has now been restricted to vessel which have prior approval of General Insurance Corporation.

**Excise duty on Polyester filament yarn and Polyester Staple Fibre**

11090. DR. B.L. SHAILESH :

DR. DATTA SAMANT :

Will the Minister of FINANCE be pleased to state :

(a) whether the benefits of excise duty reduction on Polyester filament yarn and polyester staple fibre has not reached the consumers as most of the manufacturers raised their prices just before the budget ;

(b) whether in some cases cloth will actually be more expensive than it was before the Budget ; and

(c) if so, the positive steps Government propose to take in this regard ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT KUMAR PANJA) :** (a) to (c). The prices of polyester staple fibre and polyester filament yarn fluctuate on account of market forces. The prices of these products were generally lower in February, 1988 as compared to the prices in January, 1988. The manufacturers have, by and large, passed on the benefit of excise duty relief announced in the budget to their consumers.

Consequent to the reduction of excise duty on synthetic fibres and yarns, there has been a fall in prices of some varieties of synthetic fabrics, ranging from 50 paise to Rs. 2 per metre.

**Show cause notices issued by Directorate of Enforcement**

11091. SHRI SYED SHAHABUDDIN :

Will the Minister of FINANCE be pleased to refer to the reply given on 15 April, 1988 to Unstarred Question No. 7059 regarding show cause notices issued by Directorate of Enforcement and state :

(a) the number of show cause notices issued during 1985 and 1986 ;

(b) the number of cases pending for adjudication on the 1 January of 1985, 1986 and 1987;

(c) the number of new cases taken up for adjudication during each year;

(d) the number of prosecutions launched during the year; and

(e) the number of cases finalised during the year?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) to (e). The statistical data sought for of the cases under FERA is given below :

	1985	1986	1987
(a) No. of Show Cause Notices issued.	4362	6228	7751
(b) No. of cases pending for adjudication.	5089	5851	7870
(c) No. of new cases taken up for adjudication.	4362	6228	7751
(d) No. of prosecutions launched.	708	649	147
(e) No. of cases finalised.	284	464	331

#### Import of Steel Castings by USSR

**11092. DR. KRUPASINDHU BHOI :** Will the Minister of COMMERCE be pleased to state :

(a) whether the USSR has placed order for importing steel castings;

(b) if so, the total amount of steel castings proposed to be imported by the USSR; and

(c) the details thereof?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) :** (a) to (c). The Indo-Soviet Trade Plan for the year 1988 provides for export of iron and steel castings and forgings to USSR. No order for export of steel castings to USSR has been registered so far with EEPC during 1988.

#### Allocation of Funds for Upgradation of Standards of Revenue and District Administration

**11093. SHRI SRIBALLAV PANIGRAHI :** Will the Minister of FINANCE be pleased to state :

(a) the total amount earmarked for the upgradation of standards of Revenue and District Administration in the country during the Seventh Plan period;

(b) the amount allocated to different States for the said purpose during the Seventh Plan so far, year-wise; and

(c) the Revenue districts in Orissa identified by Union Government for upgradation under this Central sponsored scheme of his Ministry and the steps taken thereon?

**THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) :** (a) The total allocation for the Upgradation of Standards of Revenue and District Administration in the country for 1985-89, is Rs. 2489.34 lakhs.

(b) A statement is given below.

(c) In pursuance of the recommendations made by the Eighth Finance Commission and the guidelines issued thereunder, the State Governments are required to

submit plans of action for upgradation schemes duly approved by their State-Level Empowered Committees for approval of the Inter-Ministerial Empowered Committee set up by the Government of India. Accordingly, the Government of Orissa submitted plan of action for upgradation schemes under District and

Revenue Administration for an outlay of Rs. 317 lakhs and this was approved. Thus, it is the State Government which is concerned with the identification of the Districts for upgradation under the recommendations of the Eighth Finance Commission.

**Statement**

(Rs. in lakhs)

State	Grants Allocated for 1985-89				Total 1985-89
	1985-86	1986-87	1987-88	1988-89	
1. Andhra Pradesh	134.22	93.87	93.87	38.59	361.55
2. Assam	13.36	9.90	10.47	3.07	36.80
3. Bihar	47.44	35.44	34.69	15.38	132.93
4. Himachal Pradesh	30.05	21.80	21.54	4.80	78.19
5. J & K	34.66	25.80	25.85	12.81	99.12
6. Kerala	19.90	11.67	12.42	6.96	50.95
7. Madhya Pradesh	108.45	76.47	79.47	38.21	294.60
8. Manipur	9.12	7.86	7.80	1.16	25.94
9. Meghalaya	2.21	6.08	0.24	0.25	8.78
10. Nagaland	12.67	5.85	6.83	4.55	29.90
11. Orissa	119.25	81.75	84.75	31.25	317.00
12. Rajasthan	91.54	67.05	64.20	25.76	248.55
13. Sikkim	1.06	0.59	0.59	0.30	2.54
14. Tripura	4.77	9.31	3.15	2.59	17.82
15. Uttar Pradesh	188.15	129.68	132.68	54.09	504.60
16. West Bengal	59.30	42.68	42.68	17.39	162.05
17. Goa					60.00*
18. Mizoram					58.00*
	876.15	623.80	621.23	250.16	2489.34

\*For 1987-89

## Drug Smuggling Ring

11094. SHRI H.N. NANJE GOWDA : Will the Minister of FINANCE be pleased to state :

(a) whether Narcotics Control Bureau on 8 March have busted a drug smuggling ring specialising in the despatching 'pickled' heroin to the United States market ;

(b) if so, the number of persons arrested in this connection ;

(c) the number of cases already registered ; and

(d) action Government are taking against them and also efforts to control the same ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) to (d). No such gang involved in despatching pickled heroin to U.S. market was busted by the Narcotics Control Bureau on 8.3.1988. However, the Narcotics Control Bureau seized 1.105 kgs. of brown powder of Pakistani origin on 8.3.1988 at Bombay. Three persons in this connection have been arrested, against whom complaints under the Narcotic Drugs and Psychotropic Substances Act, 1985 have been filed.

Upto March, 1988, 452 cases for drug-related crimes have been registered under the said Act.

With the enforcement of the Narcotic Drugs and Psychotropic substances Act, 1985 providing for deterrent punishments for drug offence cases, the drive against drug traffickers/smugglers has been intensified, both by the Centre and the States. Narcotic Cells have been set up in the Customs and Central Excise Collectorates and the State Police organisations, all over the country. The States have been advised to set up special courts for expeditious trial of drug offenders. Government have also launched multi-pronged aggressive counter measures which, *inter-alia*, include strengthening of the preventive and intelligence machinery, especially around borders, increased co-operation

between various drug law enforcement agencies, strengthening of bilateral co-operation between neighbouring countries, etc.

A Cabinet Sub-Committee has also been constituted to review and suggest various measures for combating drug trafficking and for preventing drug abuse. A comprehensive action plan has been recommended by the Sub-Committee for implementation.

The situation is also kept under constant watch for appropriate follow-up action.

12.00 hrs.

[English]

PROF. MADHU DANDAVATE : (Rajapur) : The West German magazine 'Stern' has come out with a documentary evidence about the agreement between Bofors and AE Services. They have come out with a clarification....

MR. SPEAKER : Not allowed.

(Interruptions)

MR. SPEAKER : Nothing doing.

SHRI BALWANT SINGH RAMOO-WALIA (Sangrur) : The four high priests went to the Golden temple and they were arrested. (Interruptions)

MR. SPEAKER : Prof. Dandavate, you are always free to give me anything and I will ask them.

PROF. MADHU DANDAVATE : Today is the last day. (Interruptions)

MR. SPEAKER : What does it matter ?

[Translation]

The Press reports are not always true.

(Interruptions)

[English]

MR. SPEAKER : Nothing doing.

[Translation]

I have done enough.

(Interruptions)

[English]

MR. SPEAKER : I have not allowed anybody.

SHRI THAMPAN THOMAS (Maveli-para) : I have given a motion on a breach of privilege, Sir.... (Interruptions)

PROF. K.K. TEWARY (Buxar) : We would have expected the Defence Minister to come to this House and tell us about what is happening in Siachen glacier area. Pakistani forces have attacked our outer post and fierce fighting is going on. (Interruptions)

I know Mr. Dandavate has no concern for the security of the country. Again he will depend on the sources from where these falsehoods are being spread....

[Translation]

MR. SPEAKER : Someone may write anything against you.

[English]

They are not gospel truths. We shall have to find out facts. What does it matter ? Nothing is clear.

(Interruptions)

MR. SPEAKER : You can write to me. I will write to him.

(Interruptions)

[Translation]

MR. SPEAKER : Professor, there is a compmet in Urdu....

[English]

PROF. MADHU DANDAVATE : If you give a ruling even in the form of 'sher', we don't mind.

[Translation]

MR. SPEAKER :

"Aur bhi dukh hein zamane mein,  
mohabhat ke siva !  
Aur bhi rahaten hein,  
basal ki rahat ke siva".

There are other things also for you to do.

(Interruptions)

[English]

SHRI BALWANT SINGH RAMOO-WALIA : The four high priests should not have been arrested. They should be released immediately.

[Translation]

MR. SPEAKER : Who arrested them forcibly ?

(Interruptions)

SHRI BALWANT SINGH RAMOO-WALIA : They were going for a solution.

(Interruptions)

12.02 hrs.

PAPERS LAID ON THE TABLE

[English]

Annual Report and review on the working of University Grants Commission for 1986-87 and a statement showing reasons for delay in laying these papers on the table

THE MINISTER OF HUMAN RESOURCE DEVELOPMENT (SHRI P.V. NARASIMHA RAO) : I beg to lay on the Table :—

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the University Grants Commission, New Delhi, for the year 1986-87 under

section 18 of the University Grants Commission Act, 1956.

- (ii) A copy of the Review (Hindi and English versions) by the Government on the working of the University Grants Commission, New Delhi, for the year 1986-87.
- (2) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above. [Placed in Library. See No. LT-6206/88].

**Statement regarding review on the working of and Annual Report of Bharat Bhari Udyog Nigam Limited, Calcutta for 1986-87**

**THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO)** : I beg to lay on the Table a copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956 :—

- (1) A statement regarding Review by the Government on the working of the Bharat Bhari Udyog Nigam Limited, Calcutta, for the year 1986-87.
- (2) Annual Report of the Bharat Bhari Udyog Nigam Limited, Calcutta, for the year 1986-87 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon. [Placed in Library. See No. LT-6207/88]

**Annual Report of the Indian Council of Agricultural Research—Part-II—Administration and Finance**

**THE MINISTER OF AGRICULTURE (SHRI BHAJAN LAL)** : I beg to lay on the Table a copy of the Annual Report (Hindi and English Versions) of the Indian Council of Agricultural Research—Part-II—Administration and Finance. [Placed in Library. See No. LT-6208/88]

**Notifications under the National Airports Authority Act, 1985**

**THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT)** : I beg to lay on the Table a copy each of the following Notifications (Hindi and English versions) under section 40 of the National Airports Authority Act, 1985 :—

- (1) The National Airports Authority (Conditions and Limitations of Appointment of Officers and other employees) Rules, 1987 published in Notification No. S.O. 51(E) in Gazette of India dated the 13th January, 1988.
- (2) The National Airports Authority (Conditions of Service of the Chairman and other Members) Rules, 1987 published in Notification No. S.O. 146(E) in Gazette of India dated the 4th February, 1988.
- (3) The National Airports Authority (Manner of Investment of Funds) Rules, 1987 published in Notification No. S.O. 179(E) in Gazette of India dated the 12th February, 1988. [Placed in Library. See No. LT-6209/88]

**Jute Packaging Materials (Compulsory use in Packing Commodities) Amendment Rules, 1988 and Annual Report and review on the working of Central Cottage Industries Corporation of India, New Delhi for 1986-87 etc.**

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA)** : I beg to lay on the Table :—

- (1) A copy of the Jute Packaging Materials (Compulsory Use in Packing Commodities) Amendment Rules, 1988 (Hindi and English versions) published in Notification No. G.S.R. 391(E) in Gazette of India dated the 30th March, 1988, under sub-section (2) of section 17 of the Jute Packaging Materials (Com-

pulsory Use in Packing Commodities) Act, 1987. [Placed in Library. See No. LT-6210/88]

(2) A copy each of the following papers (Hindi and English versions) under sub-section (1) of Section 619A of the Companies Act, 1956 :—

(a) (i) Review by the Government on the working of the Central Cottage Industries Corporation of India Limited, New Delhi, for the year 1986-87.

(ii) Annual Report of the Central Cottage Industries Corporation of India Limited, New Delhi, for the year 1986-87 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon. [Placed in Library. See No. LT-6211/88]

(b) (i) Review by the Government on the working of the Cotton Corporation of India Limited, Bombay, for the year 1986-87.

(ii) Annual Report of the Cotton Corporation of India Limited, Bombay, for the year 1986-87 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon. [Placed in Library. See No. LT-6212/88]

(3) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (a) of item (2) above. [Placed in Library. See No. LT-6211/88]

(4) (i) A copy of the Annual Report (Hindi and English versions) of the All India Handloom Fabrics Marketing Co-operative Society Limited, Delhi, for the year 1986-87 along with Audited Accounts.

(ii) A copy of the Review (Hindi and English versions) by the Government on the working of the All India Handloom Fabrics Marketing Co-operative Society Limited, Delhi, for the year 1986-87.

(5) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (4) above. [Placed in Library. See No. LT-6213/88]

Notifications under Section 41 of the Finance Act, 1979 and Customs Act, 1962 etc. etc.

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : I beg to lay on the Table :—

(1) A copy of the Notification No. G.S.R. 515(E) (Hindi and English versions) published in Gazette of India dated the 28th April, 1988 together with an explanatory memorandum regarding exemption to Mr. Kamenteev, Deputy Prime Minister of U.S.S.R. and other eleven members of the delegation who visited India from the payment of foreign travel tax in respect of their international journey to any place outside India at the end of their visit under section 41 of the Finance Act, 1979. [Placed in Library. See No. LT-6214/88]

(2) A copy each of the following Notifications (Hindi and English versions) under section 159 of the Customs Act, 1962 :—

(i) G.S.R. 446(E) published in Gazette of India dated the

15th April, 1988 together with an explanatory memorandum seeking to make certain procedural changes in respect of certification relating to goods covered by Notification Nos. 155/86-Customs dated the 1st March, 1986 and 181/87-Customs dated the 29th April, 1987.

(ii) G.S.R. 487(E) published in Gazette of India dated the 22nd April, 1988 together with an explanatory memorandum regarding exemption to the enriched uranium from basic customs duty in excess of 40 per cent *ad valorem* and the whole of additional duty of customs.

(iii) G.S.R. 488(E) published in Gazette of India dated the 22nd April, 1988 together with an explanatory memorandum regarding exemption to enriched uranium covered by Notification No. 140/88-Customs dated the 22nd April, 1988 from the auxiliary duty of Customs in excess of 30 per cent.

(iv) G.S.R. 489(E) published in Gazette of India dated the 22nd April, 1988 together with an explanatory memorandum making certain amendments to Notification No. 251/86-Customs, dated the 16th April, 1986 so as to continue the existing exemption from additional duty of customs on paraxylene when imported into India for manufacture of DMT or PTA upto and inclusive of 30th April, 1989.

(v) G.S.R. 496(E) published in Gazette of India dated the 27th April, 1988 together with an explanatory memorandum making certain amendments to Notification No. 65/88-Customs dated the 1st March, 1988 so as to prescribe concessional rate of Customs duty of 40 per cent on specified Ophthalmic Equipments.

(vi) G.S.R. 497(E) published in Gazette of India dated the 27th April, 1988 together with an explanatory memorandum regarding exemption to sight saving equipments and their accessories and spare parts when imported into India from the whole of the basic and additional duties of Customs leviable thereon.

(vii) G.S.R. 513(E) published in Gazette of India dated the 28th April, 1988 together with an explanatory memorandum extending the validity of Notification No. 295/83-Customs dated the 1st November, 1983 upto 30th April, 1990.

(viii) G.S.R. 498(E) published in Gazette of India dated the 27th April, 1988 together with an explanatory memorandum making certain amendments to Notification No. 60/87-Customs dated the 1st March, 1987 so as to omit a redundant entry in the said Notification.

(ix) G.S.R. 501(E) published in Gazette of India dated the 27th April, 1988 together with an explanatory memorandum regarding exemption to Out Board Motors when imported into India by any State Fisheries Corporation for fitment to boats used for fishing operations from the basic Customs duty in excess of 25 per cent *ad valorem* and the whole of the additional duty of customs leviable thereon.

(x) G.S.R. 502(E) published in Gazette of India dated the

27th April, 1988 together with an explanatory memorandum making certain amendments to Notification No. 87/88-Customs, dated the 1st March, 1988 so as to exempt goods covered by Notification Nos. 144/88-Customs and 148/88-Customs dated the 27th April, 1988 from the whole of the auxiliary duty of Customs leviable thereon.

(xi) G.S.R. 503(E) published in Gazette of India dated the 27th April, 1988 together with an explanatory memorandum making certain amendments to Notification No. 90/88-Customs dated the 1st March, 1988 so as to omit a redundant entry in the said Notification.

(xii) G. S. R. 525(E) and 526(E) published in Gazette of India dated the 2nd May, 1988 together with an explanatory memorandum regarding exemption to Silver when imported into India under the scheme for export of Gold and Silver Jewellery and Articles for sale at approved exhibitions from the whole of the basic and auxiliary duties of customs leviable thereon. [Placed in Library. See No. LT-6215/88]

(3) A copy each of the following Notifications (Hindi and English versions) issued under the Central Excise Rules, 1944 :—

(i) G.S.R. 504(E) published in Gazette of India dated the 27th April, 1988 together with an explanatory memorandum making certain amendments to Notification No. 118/88-Central Excises dated the 1st March, 1988 so as to reduce the excise duty on audio magnetic tapes in the form of jumbo-rolls, pancakes, mini pancakes, hubs or reels from Rs. 4 per square metre to Rs. 2 per square metre.

(ii) G.S.R. 507(E) published in Gazette of India dated the 27th April, 1988 together with an explanatory memorandum making certain amendments to Notification No. 100/88-Central Excises dated the 1st March, 1988 so as to exempt aluminium extrusions, square tubes and round tubes of aluminium if used in the manufacture of 11 specified rehabilitation aids.

(iii) G.S.R. 508(E) published in Gazette of India dated the 27th April, 1988 together with an explanatory memorandum making certain amendments to Notification No. 14/88-Central Excises, dated the 1st March, 1988 so as to grant full rebate of excise duty on unblended tea and the loose tea used in the manufacture of blended tea and package tea when such goods are exported.

(iv) G.S.R. 509(E) published in Gazette of India dated the 27th April, 1988 together with an explanatory memorandum making certain amendments to Notification No. 409/86-Central Excises dated the 9th September, 1986 so as to grant full rebate of excise duty payable on tea used in the manufacture of blended tea and package tea which are exported.

(v) G.S.R. 510(E) published in Gazette of India dated the 27th April, 1988 together with an explanatory memorandum making certain amendments to Notification No. 213/84-Central Excises

dated the 29th November, 1984 so as to make a correction consequent to the changes made in the scope of the notifications in the 1988 budget.

(vi) G.S.R. 511(E) published in Gazette of India dated the 27th April, 1988 together with an explanatory memorandum seeking to prescribe an effective rate of duty of Rupees 155 per kilo litre on diesel oil that will be covered under the new sub-heading No. 2710.40 proposed in the Finance Bill, 1988.

(vii) G.S.R. 466(E) published in Gazette of India dated the 18th April, 1988 together with an explanatory memorandum making certain amendments to Notification No. 111/88-Central Excises dated the 1st March, 1988 so as to specifically exempt from the whole of the duty of excise leviable on parts of agricultural, horticultural, poultry keeping and bee-keeping machinery, implements etc.

(viii) G.S.R. 467(E) published in Gazette of India dated the 18th April, 1988 together with an explanatory memorandum regarding exemption to Electric Motors and parts of electric motors from the whole of the duty of excise leviable thereon subject to the condition specified in the Notification.

(ix) G.S.R. 468(E) published in Gazette of India dated the 18th April, 1988 together with an explanatory memorandum making certain amendments to Notification No. 120/88-Central Excises dated the 1st March, 1988 so as to indicate classification of drilling rigs mounted on motor vehicles chassis.

(x) G.S.R. 469(E) published in Gazette of India dated the 18th April, 1988 together with an explanatory memorandum regarding exemption to transmission and allied assemblies manufactured by M/s. Bharat Earth Movers Limited, from the whole of the duty of excise leviable thereon.

(xi) G.S.R. 505(E) published in Gazette of India dated the 27th April, 1988 together with an explanatory memorandum making certain amendments to Notification No. 63/87-Central Excises dated the 1st March, 1987 so as to prescribe a concessional rate of basic excise duty of 5 per cent *ad valorem* on textiles fabrics coated/ laminated with preparation of low density polyethylene.

(xii) G.S.R. 506(E) published in Gazette of India dated the 27th April, 1988 together with an explanatory memorandum making certain amendments to Notification No. 65/87-Central Excises dated the 1st March, 1987 so as to prescribe a concessional rate of basic excise duty of 8 per cent *ad valorem* on sacks and bags made of polymers of ethylene or propylene.

(xiii) G.S.R. 514(E) published in Gazette of India dated the 28th April, 1988 together with an explanatory memorandum making certain amendments to Notification No. 119/88-Central Excises dated the 1st March, 1988 so as to exempt Computer software from the whole of the duty of excise leviable

thereon and also to extend the concession upto 31st March, 1989.

(xiv) G.S.R. 518(E) published in Gazette of India dated the 2nd May, 1988 together with an explanatory memorandum regarding exemption to parts of headgear from the whole of the duty of excise leviable thereon. [Placed in Library See No. LT-6216/88]

**National Bank for Agriculture and Rural Development (Issue and Management of Bonds) Regulations, 1987, Annual Report of the National Bank for Agriculture and Rural Development for 1986-87 etc. etc.**

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): I beg to lay on the Table—

- (1) A copy of the National Bank for Agriculture and Rural Development (Issue and Management of Bonds) Regulations, 1987 (Hindi and English versions) published in Notification No. NB(ND)/G-1845/LS.073/87-88 in Gazette of India dated the 26th March, 1988 under sub-section (5) of section 60 of the National Bank for Agriculture and Rural Development Act, 1981. [Placed in Library. See No. LT-6217/88]
- (2) A copy of the Annual Report (Hindi and English versions) of the National Bank for Agriculture and Rural Development for the year 1986-87 along with Audited Accounts under sub-section (5) of section 48 of the National Bank for Agriculture and Rural Development Act, 1981. [Placed in Library. See No. LT-6218/88]
- (3) A copy of the Appellate Authority for Industrial and Financial Reconstruction (Financial and Administrative Powers) Rules, 1987 (Hindi and English versions)

published in Notification No. G.S.R. 704 (E) in Gazette of India dated the 12th August, 1987 under sub-section (3) of section 36 of the Sick Industrial Companies (Special Provisions) Act, 1985. [Placed in Library. See No. LT-6219/88]

- (4) (i) A copy of the Annual Report (Hindi and English versions) of the Delhi Financial Corporation for the year 1986-87 under sub-section (3) of section 38 of the State Financial Corporation Act, 1951.
- (ii) A copy of the Audit Report (Hindi and English versions) of the Comptroller and Auditor General of India on the Accounts of the Delhi Financial Corporation for the year 1986-87 under sub-section (7) of section 37 of the State Financial Corporation Act, 1951.
- (iii) A copy of the Review (Hindi and English versions) by the Government on the working of the Delhi Financial Corporation for the year 1986-87.
- (5) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (4) above. [Placed in Library. See No. LT-6220/88]
- (6) A copy of the Action Taken Note on the Report of the Justices Thakar-Natarajan Commission of Inquiry (Hindi and English versions) under sub-section (4) of section 3 of the Commissions of Inquiry Act, 1952. [Placed in Library. See No. LT-6221/88]
- (7) A copy each of the following Reports (Hindi and English versions) under article 151(1) of the Constitution :
  - (i) Report of the Comptroller and Auditor General of

India for the year 1986-87  
—Union Government (Civil).  
[Placed in Library. See No.  
LT-6222/88]

- (ii) Report of the Comptroller and Auditor General of India for the year 1986-87—Union Government (Defence Services). [Placed in Library. See No. LT-6223/88]
- (8) A copy of the Union Government Appropriation Accounts (Civil) for the year 1986-87 (Hindi and English versions). [Placed in Library. See No. LT-6224/88]
- (9) A copy of the Union Government Finance Accounts for the year 1986-87 (Hindi and English versions). [Placed in Library. See No. LT-6225/88]
- (10) A copy of the Appropriation Accounts of the Defence Services for the year 1986-87 (Hindi and English versions). [Placed in Library. See No. LT-6226/88]
- (11) A copy each of the Notification Nos. II(1)/CTRE/81(a)/88 to II(1)/CTRE/81(p)/88 (Hindi and English versions) published in Tamil Nadu Gazette dated the 9th May 1988 issued under the Tamil Nadu General Sales Tax Act, 1959, under sub-section (5) of section 53 of the Said Act. [Placed in Library. See No. LT-6227/88]

**Notification under Petroleum Act, 1934 and Annual Report and review on the working of the Indian Rubber Manufacturers Research Association for 1986-87**

**THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO) :** I beg to lay on the Table :

- (i) A copy of the Notification No. G.S.R. 92(E) (Hindi and English versions) published in Gazette of India dated the 18th Feb. 1988 containing corrigendum to Notification No. G.S.R. 496 (E)

published in Gazette of India dated the 14th May, 1987, under sub-section (4) of section 29 of the Petroleum Act, 1934. [Placed in Library. See No. LT-6228/88]

- (2) (i) A copy of the Annual Report (Hindi and English versions) of the Indian Rubber Manufacturers Research Association for the year 1986-87 along with Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government on the working of the Indian Rubber Manufacturers Research Association for the year 1986-87. [Placed in Library. See No. LT-6229/88]

**Central Industrial Security Force (Third Amendment) Rules, 1987 and Arms (Second Amendment) Rules, 1987**

**THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P. CHIDAMBARAM) :** I beg to lay on the Table :

- (1) A copy of the Central Industrial Security Force (Third Amendment) [Rules, 1987 (Hindi and English versions) published in Notification No. G.S.R. 19 in Gazette of India dated the 16th January, 1988, under sub-section (3) of section 22 of the Central Industrial Security Force Act, 1968. [Placed in Library. See No. LT-6230/88]
- (2) A copy of the Arms (Second Amendment) Rules, 1987 (Hindi and English versions) published in Notification No. G.S.R. 165 in Gazette of India dated the 19th March, 1988 under sub-section (3) of section 44 of the Arms Act, 1959. [Placed in Library. See No. LT-6231/88]

Tea Board Recruitment and Conditions of Service of Directors of Tea Promotion appointed by Government Rules, 1988 and Notifications under Imports and Exports (Control) Act, 1947, Export (Quality Control and Inspection) Act, 1963, and Companies Act 1956 and statement showing reasons for delay

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : I beg to lay on the Table :

- (1) A copy of Tea Board (Recruitment and Conditions of Service of Directors of Tea Promotion appointed by Government) Rules, 1988 (Hindi and English versions) published in Notification No. G.S.R. 349(E) in Gazette of India dated the 16th March, 1988 under section 49 of the Tea Act, 1953. [Placed in Library. See No. LT-6234/88]
- (2) A copy each of the following Notifications (Hindi and English versions) issued under section 3 of the Imports and Exports (Control) Act, 1947 :
  - (i) The Export (Control) Order, 1988 published in Notification No. S.O. 322(E) in Gazette of India dated the 30th March, 1988.
  - (ii) S.O. 371(E) published in Gazette of India dated the 30th March, 1988 authorising various Officers to act under the imports (Control) Order, 1955.
  - (iii) The Imports (Control) Amendment Order, 1988 published in Notification No. S.O. 475(E) in Gazette of India dated the 6th May, 1988. [Placed in Library. See No. LT-6233/88]
- (3) A copy each of the following Notifications (Hindi and English versions) under sub-section (3) of section 17 of the Export

'Quality Control and Inspection) Act, 1963 :

- (i) The Export of Cashew Kernels (Quality Control and Inspection) Amendment Rules, 1988 published in Notification No. S.O. 682 in Gazette of India dated the 19th March, 1988.
- (ii) The Export of Frozen Fish and Fishery Products (Quality Control and Inspection) Rules, 1987 published in Notification No. S.O. 1153 in Gazette of India dated the 9th April, 1988.  
[Placed in Library. See No. LT-6234/88]
- (4) A copy each of the following papers (Hindi and English versions), under sub-section (1) of section 619A of the Companies Act, 1956 :
  - (i) A statement regarding Review by the Government on the working of the Trade Fair Authority of India, New Delhi for the year 1986-87.
  - (ii) Annual Report of the Trade Fair Authority of India, New Delhi, for the year 1986-87 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon.
- (5) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (3) above.  
[Placed in Library. See No. LT-6235/88]

#### Pune Cantonment (Building) Byelaws, 1988

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI SONTOSH MOHAN DEV) : I beg to lay on the Table a copy of the Pune Cantonment (Building) Byelaws, 1988 (Hindi and English versions) published in Notification No. S.R.O. 82 in Gazette of India dated

the 30th April, 1988 under sub-section (3) of section 281 of the Cantonments Act, 1924. [Placed in Library. See No. LT-6236/88]

**Notifications under National Dairy Development Board Act, 1987 and Annual Report and review on the working of National Dairy Development Board for 1986-87, Karnataka Dairy Development Corporation Limited for 1984-85 and 1985-86 and statement showing reasons for delay etc. etc.**

**THE MINISTER OF AGRICULTURE (SHRI BHAJAN LAL) : I beg to lay on the Table :**

(1) A copy each of the following Notifications (Hindi and English versions) under section 50 of the National Dairy Development Board Act, 1987 :

(i) The National Dairy Development Board (Administration of Fund, Accounts and Budget) Regulations, 1988 published in Notification No. DEL NDDDB : Spl. in Gazette of India dated the 29th February, 1988.

(ii) The National Dairy Development Board (Transaction of Business) Regulations, 1988 published in Notification No. DEL NDDDB : Spl. in Gazette of India dated the 29th February, 1988. [Placed in Library. See No. LT-6237/88]

(2) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956 :

(i) Review by the Government on the working of the Indian Dairy Corporation for the year 1986-87.

(ii) Annual Report of the Indian Dairy Corporation for the year 1986-87 along with Audited Accounts and the

comments of the Comptroller and Auditor General thereon.

(3) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (2) above. [Placed in Library. See No. LT-6238/88]

(4) A copy each of the following papers (Hindi and English versions) under section 619A of the Companies Act, 1956 :

(a) (i) Review by the Government on the working of the Karnataka Dairy Development Corporation Limited, for the year 1984-85.

(ii) Annual Report of the Karnataka Dairy Development Corporation Limited, for the year 1984-85 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon. [Placed in Library. See No. LT-6239/88]

(b) (i) Review by the Government on the working of the Karnataka Dairy Development Corporation Limited, for the year 1985-86.

(ii) Annual Report of the Karnataka Dairy Development Corporation Limited, for the year 1985-86 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon [Placed in Library. See No. LT-6240/88]

(5) Two statements (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (4) above. [Placed in Library. See No. LT-6239 and 6240/88]

(6) A statement (Hindi and English versions) explaining the reasons for not laying the Annual Report and Audited Accounts of the Hindustan Packaging Company Limited, Anand for the period from 31st October, 1985 to 31st March, 1987 within the stipulated period of nine months after the close of the Accounting year. [Placed in Library. See No. LT-6241/88]

(7) A statement (Hindi and English versions) explaining the reasons for not laying the Annual Reports and Audited Accounts of the Madhya Pradesh State Dairy Development Corporation Limited, Bhopal, for the years, 1983-84 and onwards within the stipulated period of nine months after the close of the Accounting years [Placed in Library. See No. LT-6242/88]

**Statement explaining reasons for delay in laying Annual Report and Audited Accounts of the Cooperative Store, Super Bazar, New Delhi**

THE DEPUTY MINISTER IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI D.L. BAITHA) : I beg to lay on the Table a statement (Hindi and English versions) explaining the reasons for not laying the Annual Report and Audited Accounts of the Cooperative Store Limited, Super Bazar, New Delhi for the cooperative year 1986-87 within the stipulated period of nine months after the close of the Accounting year. [Placed in Library. See No. LT-6243/88]

**Annual Report and Review on the working of Delhi Transport Corporation for 1986-87 etc. etc.**

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI RAJESH PILOT) : I beg to lay on the Table :

(1) (i) A copy of the Annual Report (Hindi and English versions) of the Delhi Transport Corporation, New Delhi, for the year 1986-87

under sub-section (3) of section 35 of the Road Transport Corporations Act, 1950.

(ii) A copy of the Review (Hindi and English versions) by the Government on the working of the Delhi Transport Corporation, New Delhi, for the year 1986-87.

(iii) A copy of the Annual Accounts (Hindi and English versions) of the Delhi Transport Corporation, New Delhi, for the year 1986-87 together with Audit Report thereon, under sub-section (4) of section 33 of the Road Transport Corporations Act, 1950.

(iv) A copy of the Review (Hindi and English versions) by the Government on the Audited Accounts of the Delhi Transport Corporation, New Delhi, for the year 1986-87.

(2) Two statements (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above. [Placed in Library. See No. LT-6244/88]

12.05 hrs.

#### **MESSAGE FROM RAJYA SABHA**

**[English]**

SECRETARY-GENERAL : Sir, I have to report the following message received from the Secretary-General of Rajya Sabha :

"In accordance with the provisions of rule 127 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 12th May, 1988, agreed without any amendment to the Special Protection Group Bill, 1988.

which was passed by the Lok Sabha at its sitting held on the 11th May, 1988."

## ASSENT TO BILL

[English]

SECRETARY-GENERAL : Sir, I lay on the Table the Appropriation (No. 2) Bill, 1988, passed by the Houses of Parliament during the current session and assented to since a report was last made to the House on the 29th April, 1988.

12.5½ hrs.

## COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

[English]

## Minutes

SHRI M. THAMBI DURAI (Dharmapuri) : Sir, I beg to lay on the Table Minutes (Hindi and English versions) of the Forty-sixth to Fifty-third sittings of the Committee on Private Members' Bills and Resolutions held during the current session.

## COMMITTEE ON ABSENCE OF MEMBERS FROM THE Sittings OF THE HOUSE

[English]

## Minutes

SHRI A.E.T. BARROW (Nominated Anglo-Indian) : Sir, I beg to lay on the Table Minutes (Hindi and English versions) of the sittings of the Committee on Absence of Members from the Sittings of the House held on the 17th March and 9th May, 1988.

12.06 hrs.

## COMMITTEE ON PETITIONS

[English]

## Seventh Report

SHRI BALASAHEB VIKHE PATIL (Kopargaon) : Sir, I beg to present the

Seventh Report (Hindi and English versions) of the Committee on Petitions.

## PETITION RE. AMENDMENT TO THE SIKKIM (CITIZENSHIP) ORDER, 1975

SHRIMATI D.K. BHANDARI (Sikkim) : Sir, I beg to present a petition signed by Shri Dilli Ram Basnet, MLA, and others regarding amendment to the Sikkim (Citizenship) Order, 1975.

12.06½ hrs.

## CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

[English]

## Non-availability of certain varieties of hybrid seeds

SHRI H.N. NANJE GOWDA (Hasan) : Sir, I call the attention of the Minister of Agriculture to the following matter of urgent public importance and request that he may make a statement thereon :

"The problems faced by farmers of Karnataka and other States due to non-availability of certain varieties of hybrid seeds and failure of National Seeds Corporation to supply the same to farmers and steps taken by the Government in that regard "

THE MINISTER OF AGRICULTURE (SHRI BHAJAN LAL) : Hybrid seeds are used by the farmers in India for crops like sorghum, bajra, maize, sunflower, cotton and castor. Some hybrid seeds of vegetables, fruits and flowers are also being used.

While the State Seed Corporations undertake the primary responsibility for supplying the seeds to the farmers, NSC and SFCI also supplement their efforts at the national level. NSC and SFCI produce hybrid seeds of maize, sorghum, bajra, sunflower, cotton, castor and vegetables.

Import of seeds is regulated under the Plants, Fruits & Seeds (Regulation of Import into India) Order, 1984. The Plant Protection Adviser has been vested within the responsibility to conduct quarantine inspections to ensure that the imported seeds are free from diseases.

Import of seed is permitted under appendix-17 of the Import Export policy against exports of fresh fruits, vegetables and flowers etc. on Import Replenishment Licences and under para 104 of the Import Export Policy.

All imports of plants and plant material by land, sea, or air shall be accompanied by a phytosanitary certificate of the appropriate authority in the country of origin in the internationally recognised from indicating that the consignment is free from injurious insects pests/plant diseases. The imports can be made after securing an import permit under the provisions of the Destructive Insecticides and Pests Act, 1914 from the PPA or any of the authorised officer by him in the Directorate of PPO&S, Faridabad.

In order to meet the demand for hybrid cabbage seeds, NSC was permitted to import 20 quintals of high yielding hybrid cabbage seeds. NSC has already imported 10 quintals of hybrid cabbage seeds and arrangements are being made to rush the stocks by air to the States like Karnataka, Maharashtra, Andhra Pradesh, etc. In addition, the Plant Protection Adviser has been granting import permits of 100 kg. of hybrid cabbage seed to applicants on the basis of the existing quarantine facilities available.

The National Seeds Corporation distributed an estimated quantity of 12,000 quintals of jowar seeds in 1987-88. Due to untimely rains in 1987-88, some hybrid jowar seed in Maharashtra was adversely affected. The Government of Maharashtra is taking measures to make the seed available for sowing. The State Seeds Corporation, Karnataka, has been permitted to import 10 tonnes of hybrid sunflower seed.

In order to prevent the entry of exotic diseases into the country of seeds/

planting material, import of seed is regulated in small quantities for trial purposes preferably through the NBPGR or the All India Coordinated Trial System of the ICAR. If after trial, the planting material is found fit, larger imports can be permitted.

A Working Group under the Chairmanship of Deputy Director General, JCAR has been constituted to draw up guidelines for import of seeds in larger quantities.

The General Government has included, production of high-yielding hybrid seeds, synthetic seed and high-yielding plantlets developed through plant tissue culture as a high technology area under Appendix-I of the Industrial Licensing Policy Statement, 1973. Hybrid seeds with proven and distinct superiority in yields are encouraged for production in the country. Our objective is to import parental material and multiply if for production of hybrids.

**SHRI H.N. NANJE GOWDA :** Sir, when this year's Budget was presented, I thought, the plight of the millions of farmers in our country has been noticed by the Government particularly because of the drought in the country. But this sense of elation was short-lived when I realised that these measures are to be implemented by the Ministry of Agriculture and particularly by the officers who have nothing to do with agriculture, who have no knowledge of agriculture, who are just like highly paid clerks.

Sir, this I am telling you from my own experience. As you are aware, agriculture is a time-specific programme, in which season which seeds are required. I will give a specific example so that my colleague should not mistake me that I am interested in a particular private company. That is why, I have to tell him in detail. The Government of Karnataka, the Ramakrishna Hegde's Government is a friend of Mr. Bhajan Lal. (*Interruptions*)

**SHRI C. JANGA REDDY (Hanum-konda) :** He is a friend of you also.

**SHRI H.N. NANJE GOWDA :** Who ?

**SHRI C. JANGA REDDY :** Shri Bhajan Lal.

**SHRI H.N. NANJE GOWDA :** I am telling the facts. He has also mistaken me. Even Shri Ramakrishna Hegde has claimed that he is his friend. I have not recommended it. Government of Karnataka has recommended this.

Sir, this is a letter from the Director of Horticulture, Department of Horticulture, Government of Karnataka. They have written specifically about the supply of Harirani cabbage seeds to Karnataka State. I am not pleading for it. It is the Government of Karnataka's request. It says : "Karnataka is one of the important cabbage growing States in the country particularly the districts of Hassan, Kolar, Bangalore and Belgaum and roughly 7,000 hectares is under cabbage production in the State. The growers of the State are demanding for the cabbage seeds of the Harirani variety which is in great demand.

This variety is being marketed by MAHYCO and there is much scarcity for the seed material. So kindly see that the above firm located at Jawalna, Maharashtra State is directed to supply required quantity of seeds to the various growing Centres in Karnataka particularly to Hassan." It is not my letter. It is a letter from Government of Karnataka.

There were eight meetings held Two with Shri Dhillon, three meetings with Shri Yadav and three meetings with Shri Bhajan Lal. Finally, they said : "we have no post quarantine inspection. If Government of Karnataka takes the responsibility, we will permit." Again, they wrote to Government of Karnataka. This is a letter addressed to Government of Karnataka. It says :

"Enclosed please find herewith a copy of d.o. letter dated No. DEV/TD/5/87-88 dated 6.2.88 from Director of Horticulture."

The Commissioner of Horticulture, Government of India recommends for

permitting this seed. To whom ? To the Joint Secretary—again a highly paid clerk, an IAS man. I have no disrespect to the IAS category. There may be good people. May be 80% are good ; but we are having 10% to 20% of these IAS people who are highly paid clerks, who assume many things. They don't understand the problems of the farmers. They sit in the air-conditioned room how can they understand our problems. You see their skin, how soft it is ! You see our skin also.

The Government of Karnataka replies that the Karnataka State Agriculture Department is willing to undertake post entry quarantine inspection of cabbage seeds received from Japan and USA through MAHYCO, Bombay only ; if referred from the Customs Department of Karnataka. Why is it MAHYCO company only ? The Minister in his reply has said one thing. He is guided by the officers, I have come to know about it after our meetings with him. He has said that if after trial, planting material is found fit, larger imports can be permitted.

Why the Karnataka Government was very particular about this ? An average ordinary variety or even the Indian best variety will fetch only Rs. 8,000 per acre ; but with this variety our farmers get Rs. 35,000 to Rs. 40,000 per acre. For the last five to six years our farmers adopted this seed. They earned money. In fact, my constituency was the major supplier of cabbage to the Calcutta city. That is why the Government of Karnataka opted this seed. These seeds were also experimented by the farmers for five years and they have said that they can undertake this only because the trouble is less.

But what happened ultimately ? After all this, after we began to pressurise the Ministry, the concerned IAS officer—one Additional Secretary—is in the way. I don't know, she might have received 20 applications from private parties. No Government has recommended, Government has recommended only one seed, this is not the recommendation of Mr. Nanje Gowda or Mr. Ranganath or Mr. Basavaraaja of Karnataka.

In Karnataka Rs. 5 crores worth of scotch whisky is imported—not of one

brand, any brand of scotch whisky. Lipsticks are imported. Goggles are imported, pen is imported, watch is imported. But the poor farmers cannot have the seeds of their choice.

I will bring ten varieties of different seeds to your chamber. If the Additional Secretary or the Joint Secretary see them and if they identify five seeds, I will resign and go back. I can understand, the Additional Secretary can identify imported nylon sarees, imported lipsticks, imported perfumes, etc. But the poor farmers cannot have the seeds of their choice from her. This is the state of affairs.

The decision making body should be the Minister. I am sorry, I would not have been unfair to him. I produced some seeds; he said he has not permitted anybody. There was a meeting in which Mr. Yadavji was there, Bhajan Lalji was there, the Additional Secretary and the Secretary were there and some of the MPs were there, Shri Hari Krishna Shastri was there. I asked, if you are not permitting anybody, how this 10 grams of seeds is marketed for Rs. 125? The Additional Secretary says that it is smuggled. So, smuggling is allowed; not the right royal method. Smuggling means no customs duty. When we met the Additional Secretary she says that this particular MAHYCO company gets Rs. 3000 per tonne. They are selling Rs. 10000 per kg. She is not aware what is the customs duty on this standard seed. It is around Rs. 14 to Rs. 15 lakhs per tonne. We are having such people to deal with this matter!

The Agriculture Commissioner, Government of India wants this seed to be supplied to farmers, the Horticulture Commissioner wants to supply this seed to farmers, the Government of Karnataka recommends, they undertake post entry quarantine inspection, the Minister also agrees and says it should be given. Finally when the order goes the Minister orders for 100 Kg. He wants lathi-charge to be done in Karnataka. Government of Karnataka requires one and a half tonnes of seeds. They said for two seasons three tonnes. This is pending since January. We have already lost one season. Farmers

have lost Rs. 17 crores. Who is going to compensate the farmers?

Then they dumped 40 tonnes of sunflower seeds from Russia in Karnataka. Whereas from Indian variety of seeds we could get 8-10 quintals of production per acre from the Russian seeds the yield is only 2 quintals. Who is going to compensate the farmers? If such people are there you call it farmers' budget. Only farmers have to lick this budget because it is not implemented by such officers.

Now take the case of National Seeds Corporation. They talk so such about it. My point is when everybody can have the things of their choice why not the farmers have the seeds of their choice? Let there be ten companies of seeds. Let farmers have the choice of their seeds. This National Seeds Corporation is a white-elephant. Nobody knows what is happening. They entered into an agreement with the farmers. I want the people to understand. I am telling the truth and facts only. (Interruptions)

These National Seeds Corporation people entered into an agreement with farmers to grow seeds. I am telling the experience in Bellary also. If Basavrajewari had been here she could have told many things. Then what did they do? At the time of taking they reject the seeds officially. They will reject on the record but unofficially they will purchase in the blackmarket and sell too. This is done by NSC people. You hold an inquiry. Unfortunately, I am sorry to say, the Agriculture Ministers who have been in the office here they think the farmers problems are limited to only Punjab, Haryana and Hindi belt. Nobody has visited South India. Nobody attempted understand what are the crops grown? What is the season? When do they require seeds? Nobody bothers. India means for them only this part of the country. Farmers means only farmers of this part of the country. I am very sorry to say this. The Minister is a good man but he is misled. He was misled. He was given an impression that we are acting as agents of a company. It is very unfortunate. I do not know whether even today he is aware that Government of

[Shri H.N. Nanje Gowda]

Karnataka wanted these seeds. It is most unfortunate. Four references have gone from the Prime Minister's House. The last reference was marked 'most immediate'. Shri Bhajan Lal is not worried about Prime Minister's reference. He is worried about the opinion of the Additional Secretary. I wish Shri Bhajan Lal recommends the Additional Secretary to become the Agriculture Minister and he resigns if he cannot understand the problems of the farmers and if he cannot overrule the opinion of his Additional Secretary.

Sir, jowar seeds are also not available. Cotton seeds are not available. Good sunflower seeds are not available. They dump some bad seeds. You know what MD, NSC is doing. There are some officers who within a year have increased the rent by 400 to 500 per cent. We know, there even, they have taken commission. They are interested in making money but not in the farmers' problems.

Finally, we have already lost one season about the cabbage seeds. This is not what we want but the farmers want. And the Government of Karnataka recommended it, not Nanje Gowda. At least, they should permit the import of a minimum of three tonnes of seeds. We have already lost one season. The farmers' loss was of about Rs. 70 crores.

I don't think, he is a friend of the farmers, otherwise, he would have understood the problems of the farmers. Let him become a friend of farmers and understand their problems and permit the import of the seeds.

MR. SPEAKER : Now, Shri Krishna Iyer.

SHRI SAIFUDDIN CHOWDHARY (Katwa) : Sir, you expunged the reference to the CAG's report on the submarine deal. Now we have got a copy of the same report and it reveals the irregularities. That confirms our allegation.

MR. SPEAKER : Don't interrupt. When the time comes, Mr. Saifuddin

Chowdhary, you can do it. You can't do sundry things like that.

(Interruptions)

MR. SPEAKER : At that time, it was not there. When it comes in the House and tomorrow if he quotes it and the discussion takes place, then, I will allow him to have on the record.

(Interruptions)

MR. SPEAKER : I made it clear that day.

(Interruptions)

MR. SPEAKER : Not now ; no question. Without being available to us, we will not allow anything.

(Interruptions)

SHRI SAIFUDDIN CHOWDHARY : Given from the Publications counter.

MR. SPEAKER : Now it has been given, not that day.

(Interruptions)

MR. SPEAKER : Look here, again you are discussing the same thing.

(Interruptions)

MR. SPEAKER : Mr. Chowdhary, you are so tempestuous that I can't....

SHRI SAIFUDDIN CHOWDHARY : Then, I will call your attention.

MR. SPEAKER : No, no. Now, Mr. Krishna Iyer.

SHRI V. S. KRISHNA IYER (Bangalore South) : Sir, at the outset, I thank you for admitting this calling attention at the fag-end of the session because you yourself are a farmer.

My esteemed colleague Mr. Nanje Gowda spoke with a feeling. Every word he uttered is true. The farmers have been forced to come 2,500 miles away

from Karnataka to Delhi to seek justice from this august House. I am sure, the hon. Minister for Agriculture understands the basic things. Karnataka suffered from acute drought for the past four years. Only this year, the rain-god has been favourable to Karnataka. For the past one month, we are having rains in certain parts of Karnataka, like Tumkur, Hassan, Chikmagalur and other districts.

The Government of Karnataka assessed the requirement of seeds well in advance. They had sent a requisition to the Government of India, addressed to the National seeds Corporation, Department of Agriculture, requiring 3,000 quintals of paddy, 1,000 quintals of maize, 500 quintals of bajra, sunflower 2,500 quintals, groundnut, soyabean, and so on and so forth-all together about 10,000 quintals. They had sent it well in advance, I think, in the month of February or in the beginning of March. They wanted it. They specifically told the NSC and the Ministry of Agriculture that the requirements would be between the period March 15 to May 13. But so far, not a single grain of seed has been supplied by the NSC to the farmers.

I don't want to repeat what Mr. Nanje Gowda has said. As you know, it is the first time that I am speaking about the farmers. My constituency is hundred per cent urbanised. The farmers came over here.

They told me everything about how they are facing the inconvenience and how they have been put to a loss of crores of rupees.

The National Seeds Corporation had given a very wide publicity saying that they would raise 70 lakhs of quintals of seeds during the current year because according to the Government of India's food production programme, you have to produce 117 million tonnes of food during 1988-89. But what is the National Seeds Corporation doing? They are supposed to produce 70 lakh tonnes of seeds. But not a single grain of seed has been supplied to the State though rainy season has commenced in most of the States. That is the state of affairs. So far as

Karnataka State is concerned, I would quote one example which Mr. Nanje Gowda briefly referred to. In Bellary district, the National Seeds Corporation chose 200 acres for growing jowar in an irrigated area.

The result is that the NSC has reported that everything has been rejected. NSC has a number of technocrats who are very well qualified and in spite of that, they said that all the seeds are rejected. As Mr. Nanje Gowda has rightly said Sir, let the seeds be rejected but those seeds must be available somewhere but I understand that those seeds which are usually sold at three kilos for Rs. 20-25, are now being sold at Rs. 70-100 in the black market. Seeds are grown in Bellary, under the supervision of NSC. Sir, I am not exaggerating but these are the facts which the farmers told me only this morning. That is why I say that there is something not well in the NSC. Mismanagement is there. Corruption is rampant. I request the hon. Minister to hold an inquiry. To that extent, I would suggest to hold a CBI inquiry into the whole matter. I came across another instance this morning that in Jalandhar, in the Regional Manager's office, 2000 quintals of certified seeds have been destroyed. I request for an inquiry into the whole matter and the regional offices are not functioning properly. Sir, this is the existing position. Particularly, in Karnataka, monsoon has come very early this year. When the rain comes, the farmer wants to plough his land but without seeds; how can he proceed? They are ready for sowing even. But unfortunately, not a single grain of maize or jowar or cabbage is available. Mr. Speaker, Sir, I do not want to repeat what Mr. Nanje Gowda has said. It is very necessary to supply the seeds because the whole country is concerned. I am very happy that you have given a lot of time to discuss farmers' problems here. I would request the Minister of Agriculture to see that seeds are supplied to the bonafide growers. Merchants are getting the seeds but the NSC cannot supply the seeds to the bona-fide growers. I would request him to take immediate steps to see that all kinds of seeds required for the agricultural farmers are supplied to them, whatever

[Shri V S. Krishna Iyer]

is not available can be imported, so that we can achieve the targeted food production for the current year.

With these words, I conclude.

MR. SPEAKER : Before the Minister replies, he should understand one thing basically.

[Translation]

I will tell you in Hindi. Seeds are the most essential part of agricultural production and, therefore, you will have to pay attention in this direction and make efforts to alleviate their grievances.

I want to make one more point. Such persons should be appointed as Secretaries in Agricultural Ministry who have some connection with agriculture. Mere-theoretical knowledge does not help as there is a gap between theory and practise and, as such, they are not able to make out as to what steps to take. You should comprehend this matter. Seeds are the basic element in agriculture which may make or mar production. Had it not been for the improved seeds, green revolution would not have taken place.

[English]

If there had not been good seeds, there would not have been Green Revolution. The basic thing is, if you give pure, plentiful, disease-free seeds, then everything will be all right.

[Translation]

SHRI BHAJAN LAL : Mr. Speaker, Sir, you are aware that the real issue is of seeds. In the absence of quality seeds, how can we have a good production ? Both the hon. Members have some farming background and I have a high regard for both of them. They have always advocated the interests of the farmers strongly and they should do so because the farmers form the backbone of the country and their condition will improve only when quality seeds are supplied to them.

I want to inform you that his complaint is about cabbage seeds, in particular. I shall quote the figures to inform you as to how much seeds were supplied. So far as cabbage seeds are concerned, the imported seeds are much cheaper. The rate is about Rs. 4 thousand per kg. inclusive of all costs, but it is sold at the rate of Rs. 30 thousand per kg. in the market. The price in the black market is, thus, very high. Cabbage seeds are being sold at Rs. 30 thousand per kg. in India. I am talking about the hybrid seed being sold in the market..... (Interruptions)..... Hon. Shri Rao is also aware of it. He had been the Minister of Agriculture. I am talking about the market rate. The second problem here is that of the difference in the actual price and the price in the black-market. There is an enormous difference between Rs. 4 thousand and Rs. 30 thousand and as a result, there is large-scale black-marketing. Apart from that, the imported seeds are disease borne.....

RAO BIRENDRA SINGH (Mahendragarh) : You should say that the officers do not work on their own, they act as per your directions.

SHRI BHAJAN LAL : I am coming to that point. Secondly, as I had stated, the seeds are not disease-free. That is why we try to import lesser quantity of seeds to ensure that the quality is all right. Till 1984, we imported large quantities of seeds but subsequently we noticed that when imported in bulk, the seeds were prone to disease. And as a result in 1985, restrictions were put on its import. Permits were issued by the Agricultural Department on a very limited scale. 29 people were given permits for the import of 100 kg. only. It included people who had already applied in this regard and who had exported certain items in return of which they could import up to 100 kg. of cabbage seed. Shri Gowda and Shri Shyam Lal Yadav had met me and I also talked to same officers. I had made efforts to fully satisfy them. We shall also make efforts to import as much as we require but if private agencies are entrusted with this matter, difficulties will be created because cabbage seed

fetches premium of Rs. 25 thousand per kg. in the black-market and the private agencies cannot be trusted in this regard. That is why National Seeds Corporation and NAFED have been directed to import 20 quintals of seed. These orders have been placed and consignment will be arriving shortly. Another 10 quintals have been ordered through some other organisation. Hence, 30 quintals are being imported. We have issued permits for 100 kg. of imports and I want to mention the name of Karnataka State especially, in this connection. I want to inform you about the names of those persons who belong to Karnataka and who have been issued permits for the import of 100 kg. of cabbage seed each. Application of 6 firms or individuals have reached us and hon. Shri Gowda himself recommended their names for issuing permits. Thus, we supplied 100 kg. of seed to each whereas only 150 gms. of seed is required for one acre of land. As such it has not created any problem but it is true that we have not been able to supply more seed and it may be the cause of some complaints.

So far as the question of officers running the Government is concerned, it is not true that they do not obey the directions of the Hon. Prime Minister or that the Additional Secretary is all in all, or that the Minister of Agriculture has little say in matters pertaining to his Ministry. However, so far as the Government is concerned, had the people with farming background not been there in the Ministry, it would not have been possible to increase our agricultural production to such an extent. Our scientists are also Government Officers and our I.A.S. Officers have also made substantial contribution in ushering in the Green Revolution. If a farmer's son becomes an I.A.S. officer, will he not be able to appreciate and understand the problems of the farmers better? If a person born in a businessman's house is well-versed in agriculture and has studied it, will he not understand agricultural problems? Therefore, I want to state that to allege that they are unaware of the agricultural situation is not correct. One should not even think of levelling such allegations.

So far as seeds are concerned, he has mentioned jowar, paddy and maize. I want to give you the annual figures of seed production. As regards, the distribution of seeds, I shall inform you about the figures later. We produced 13 lakh and 86 thousand kgs. of wheat seed, 1 lakh and 60 thousand kgs. of maize seed, 3 lakhs and 81 thousand kgs. of jowar seed, 1 lakh and 20 thousand kgs. of bajra seed and 18 thousand kgs. of ragi seed. Similarly, seeds for various pulses like gram, peas, urad, moong, arhar have been produced. As regards the distribution of seeds, we have distributed 18 lakh and 96 thousand kgs. of wheat seed for cultivation among the farmers. Similarly, 3 lakh and 28 thousand kgs. of jowar seed, 1 lakh and 9 thousand kgs. of bajra seed, 18 thousand kgs. of ragi seed and 4 thousand kgs. of barley seed was distributed. Various pulses seeds like gram etc. have been distributed in the same manner. What I want to say is that the allegation of Shri Gowda that farmers of the South are being neglected and the farmers belonging to the North are being favoured is not true. We are very proud of farmers in the South and I can even say that they are the best farmers.

Looking at crop production figures, we have to concede that the entire nation will face starvation if farmers of North India are to stop producing so much of foodgrains. Today Punjab, Haryana and Uttar Pradesh alone produce 80% of the foodgrains needed to feed the people of our country.

Along with this, I would say that we have always accepted anything that is reasonable. 29 people were given a quintal of seed each. Of them 6 are from Karnataka. The remaining 20 quintals of seed was transported by air so that the N.S.C could distribute it to farmers as soon as possible. The Government will not compromise on the quality of seeds and shortage will not be allowed to be felt so far as supply of seeds to the farmers in concerned. I assure this House, that top quality seeds will be supplied to farmers.

— MR. SPEAKER : You do not have to worry because all our farmers are hard-

[Mr. Speaker]

working. They will certainly reap a record harvest, as you yourself will see.

**CODE OF CRIMINAL PROCEDURE  
(AMENDMENT) BILL**

**12.43 hrs.**

[English]

THE MINISTER OF HOME AFFAIRS (S. BUTA SINGH) : I beg to move for leave to introduce a Bill further to amend the Criminal Procedure, 1973.

MR. SPEAKER : The question is :

"That leave be granted to introduce a Bill further to amend the Code of Criminal Procedure, 1973."

*The motion was adopted.*

S. BUTA SINGH : I introduce the Bill.

[English]

SHRI SAIFUDDIN CHOWDHARY (Katwa) : It is very important, Sir.

MR. SPEAKER : This is not the problem at this time.

SHRI SAIFUDDIN CHOWDHARY : You expunged this reference to the C & A G Report.

MR. SPEAKER : I told you that day--

SHRI SAIFUDDIN CHOWDHARY : You please allow me, Sir.

MR. SPEAKER : Mr. Saifuddin, I told you that day....

SHRI SAIFUDDIN CHOWDHARY : It confirms the basis of our allegations.

MR. SPEAKER : Why can't you listen properly first ?

SHRI SAIFUDDIN CHOWDHARY : Sir, this report, we have just now received.

MR. SPEAKER : I know that. It has just now been received. And now when it comes it will go on record. At that time it was not available.

SHRI SAIFUDDIN CHOWDHARY : It says that.... (Interruptions)\*

MR. SPEAKER : Whatever the Hon. gentleman says, does not form part of the record.

(Interruptions)\*

MR. SPEAKER : I cannot answer all irrelevant questions.

(Interruptions)\*

MR. SPEAKER : Mr. Saifuddin, what I said already, I would again say. When this thing is available with us, it will go on record.

(Interruptions)\*

MR. SPEAKER : What are you trying to prove now ? When I said that it was not available at that time, it would not form part of the record. When the next time comes, we can do it.

SHRI SAIFUDDIN CHOWDHARY : This is a very important matter. Have you read this Sir ?

MR. SPEAKER : That is no reason. I will read it. I have not got it yet.

(Interruptions)\*

MR. SPEAKER : Nothing doing. I have not allowed. He is irrelevant all the time. When it is available, it will form part of the record.

SHRI SAIFUDDIN CHOWDHARY : That is why I am raising it now.

MR. SPEAKER : You have to give notice to do every thing.

SHRI SAIFUDDIN CHOWDHARY : I have given..... (Interruptions)\*

MR. SPEAKER : No please. Please do not do it. When the time comes, when it is available to the House, it will form part of the record. At that time, it was not available.

SHRI SAIFUDDIN CHOWDHARY : That is why I am raising it now Sir. (Interruptions)\*

MR. SPEAKER : What is this man doing ? Why are you becoming so irrelevant ?

SHRI SAIFUDDIN CHOWDHARY : This is most relevant.

MR. SPEAKER : I am telling you that when the time comes, we can do it. Not now.

SHRI SAIFUDDIN CHOWDHARY : When ?

MR. SPEAKER : When there is a discussion on this subject.

SHRI SAIFUDDIN CHOWDHARY : Why cannot you fix the time now, today ? Let the Minister come and make a statement on this.

MR. SPEAKER : Now, please sit down. Enough is enough. No arguments. I am tired of it.

12.47 hrs.

#### MOTOR VEHICLES BILL

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI RAJESH PILOT) : I beg to move for leave to introduce a Bill to consolidate and amend the law relating to motor vehicles.

MR. SPEAKER : The question is :

"That leave be granted to introduce a Bill to consolidate and amend the law relating to motor vehicles."

*The motion was adopted.*

SHRI RAJESH PILOT : I introduce the Bill.

12.47 hrs.

#### SHIPPING AGENTS (LICENSING) BILL

Amendment in the motion for nomination of Members to the Joint Committee

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI RAJESH PILOT) : I beg to move :

"That in the motion adopted by this House on the 12th May 1988, concurring in the recommendation of Rajya Sabha to join in the Joint Committee of the Houses on the Shipping Agents (Licensing) Bill, 1987 and communicating names of 30 Members of the House to Rajya Sabha to serve on the Committee, the following amendment be made :

*for "(28) Smt. Usha Verma"*

*substitute "(28) Shri Indrajit Gupta."*

MR. SPEAKER : The question is :

"That in the motion adopted by this House on the 12th May 1988, concurring in the recommendation of Rajya Sabha to join in the Joint Committee of the Houses on the Shipping Agents (Licensing) Bill, 1987 and communicating names of 30 Members of the House to Rajya to serve on the Committee, the following amendment be made :

*for "(28) Smt. Usha Verma"*

*substitute "(28) Shri Indrajit Gupta".*

*The motion was adopted.*

\*Not recorded.

12.48 hrs.

## MATTERS UNDER RULE 377

[Translation]

(i) Need to bring mango-belt in Malihabad and Hasanganj regions of Lucknow and Unnao districts under Crop Insurance Scheme.

**SHRI JAGANNATH PRASAD** (Mohanlalganj) : Mr. Speaker Sir, hail-storm has hit the mango crop five times in Malihabad (Lucknow district) and Hasanganj (Unnao district) which form part of my Lok Sabha Constituency. The hail-storm has completely destroyed the mango crop in the mango-belt in the region.

12.49 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

On 25th April around 3.00 p.m. a massive hailstorm hit the area during which hailstones weighing upto a kilogram destroyed the mango crop completely. Many farmers committed suicide and some unconscious in shock. The hail-storm affected 300 villages. Mango growers suffered a loss of nearly Rs. 10 crores. The State Government has been informed of the loss of mango crop. The only way to solve the problem of those farmers is to bring the mango-belt in Malihabad and Hasanganj regions of Lucknow and Unnao districts under Crop Insurance Scheme. From October next, arrangements should be made for the supply of free pesticides for spraying on the mango crop. The Government should also give orders to conduct an immediate survey in order to assess the crop damage.

(ii) Need to provide financial and other assistance to the Government of Rajasthan to cope with severe drought conditions.

**PROF. NIRMALA KUMARI SHAKTAWAT** (Chittorgarh) : Mr. Deputy Speaker Sir, for the last 4 years, Rajasthan has been reeling under drought. The Hon'able Prime Minister Shri Rajiv Gandhi toured Rajasthan and announced an increase in the amount of assistance sanctioned for drought relief. The scarcity

of water being felt by the 4 crore population spread over an area of 3.5 lakh Kilometres in Rajasthan can be met only if the Central Government treats it as a national problem. Otherwise, Rajasthan would become another Ethiopia. If excess flood waters from the neighbouring States of Punjab and Uttar Pradesh, is diverted to Rajasthan, the State can produce a substantial quantity of foodgrains for contribution to the Central Pool.

Apart from irrigation, drinking water has also become a problem. But sources of water within the earth's crust have not been tapped. The 'High-Pressure Rig' imported from the U.S.S.R. should be sent to Rajasthan immediately. It is not one village but all which are suffering from scarcity of drinking water. So the definition of the problem village should be changed. Never has scarcity of water in Chittorgarh district of South Rajasthan been so acute as it is today. The people have to crave for even a single drop of water. Land should be drilled and deep wells, tube-wells and hand-pumps should be installed immediately. Otherwise both human beings and cattle will perish.

A long-term policy should be formulated in the Eighth Five-Year Plan to tackle famine and check further desertification of Rajasthan. The whole country is responsible for the security of Rajasthan because it is a border State. It has always been a sentinel of the great culture of India. Therefore, I strongly urge that :

- (1) Central assistance be increased.
- (2) Excess flood-waters from the neighbouring States of Punjab and Uttar Pradesh be diverted to Rajasthan.
- (3) Underground sources of drinking-water be tapped immediately.

[English]

(iii) Increasing crimes on Indo-Bangladesh border in West DinaJPur district

**DR. GOLAM YAZDANI** (Raiganj) : Cattle lifting, dacoity, smuggling and all sorts of anti-social activities go on along

the whole Indo-Bangladesh border of West Dinajpur district in West Bengal and these are done by Bangladeshis who frequently cross the border at various points. They penetrate deep into India and do these mischiefs. These activities increase during the declining moon. BSF cannot prevent these. Recently, cattle lifting has increased in the Goalpukar sector. I have drawn attention of the Central Government many times but no effective steps have been taken so far. I request the hon'ble Minister to pay serious attention to this important problem and devise new measures to prevent these crimes.

**[Translation]**

**(iv) Need to open Navodaya Schools in Bastar district of Madhya Pradesh**

**SHRI MANKURAM SODI** (Bastar) : Mr. Deputy-Speaker Sir, in terms of area, Bastar is the largest district in Madhya Pradesh. Its area is 39114 square kilometres. There are 3388 villages spread throughout this district. Travelling from one village to another is a time-consuming process because of inadequate transport facilities. The farthest village is situated at a distance of 200-250 kilometres from the district headquarters. The district is predominantly inhabited by Adivasi population.

From the point of view of education this district is way behind other Adivasi districts. Under the Central Government's New Education Policy, it has been decided to open one Navodaya School in each district. That means Bastar district will get only one such school. Considering the area of the district and the objective of creating interest in education among Adivasis, the Government is requested to approve the opening of two Navodaya Schools in Bastar district. This will help providing Adivasi students an opportunity to receive higher education.

**(v) Need to ban advertisement relating to eggs, meat and alcohol on media**

**SHRI VIRDHI CHANDER JAIN** (Barmer) : Mr. Deputy-Speaker Sir, prior to independence and until four years back, advertisements relating to eggs, meat, alcohol and other intoxicants were banned on the media. This was done in keeping

with our religious customs, directive principles of the Constitution advertisement code and in deference to the sentiments of the majority community of this country. Such advertisements continue to appear in newspapers and on Government media, such as, T.V and radio despite the official stand on the issue. Advertisements relating to eggs, meat and alcohol are unaesthetic, provocative and objectionable. For example, the current advertisement relating to eggs being put out through radio and T V goes like this :

*"Meri Jaan, Meri Jaan,  
I love you. Mein  
tumhey brandy  
pilaonga, whisky  
pilaonga aur murgi  
ke ande khilaonga.  
Meri Jaan, Meri Jaan,  
Sunday ho ya Monday  
roz khao ande."*

If a secular Government allows such improper advertisements on its media, it is acting in contravention of its policy of protecting, preserving and promoting Indian culture and traditions. Under the existing rules, presentation of alcohol related advertisements, directly or indirectly, is illegal and a cognisable offence whereas in the advertisement mentioned earlier, brandy and whisky are also being advertised along with eggs. On the one hand, the Government makes efforts to stem the increasing intake of intoxicants and on the other it encourages the use of intoxicants through its media. These advertisements are misleading. Scientific research has shown that eggs contain deadly elements like uric acid, cholesterol, avidin and D.D.T. These elements are known to cause eczema, kidney-stone and ailments of the heart and liver. Current advertisements show scant respect to findings of scientists and to the disorders that are caused following consumption of eggs, while they go on misleading viewers and listeners. Hence these advertisements are misleading and detrimental to consumer interests.

Therefore, the Information and Broadcasting Ministry of the Central Government is urged to immediately ban advertisement relating to eggs, meat and alcohol.

[Shri Virdhi Chander Jain]

hol on Doordarshan, radio and in newspapers and other Government media. These advertisements are unaesthetic, provocative and also hurt public feelings.

(vi) **Construction of a bridge on Yamuna near Shergarh**

**SHRI MANVENDRA SINGH**  
(Mathura) : For the last 30 years, residents of Mathura and Aligarh districts have been demanding a bridge on the Yamuna near Shergarh in Mathura district. Special importance is attached to the construction of this bridge as it will provide a direct link between Mathura and Aligarh districts. This will reduce the existing distance by 150 kilometres. At the same time, the proposed bridge will cut down the distance between Mathura and Chhata and Mathura and Moth (two tehsils of this district) by about 100 kilometres. This bridge would prove to be a boon to development in the area. The most important benefit will be a relief from the increasing pressure of heavy vehicles and other transport on the route connecting Meerut, Ghaziabad and Aligarh with Bombay and Calcutta. The distance to be covered would also be reduced to a large extent. Similarly traffic moving from Bombay, Calcutta, Kanpur and Agra towards Aligarh, Ghaziabad and Meerut will be greatly benefitted. The increasing pressure of heavy vehicles and other traffic, moving to and from Mathura, Delhi, Ghaziabad and Aligarh, will also ease off.

Nearly 8,000 vehicles moving to and from the Mathura Oil Refinery everyday, will also have to cover less distance. Increasing traffic on both National Highways will greatly benefit.

Considering the increasing pressure of traffic on National Highways and the long-standing demand of the public, I request the Government to construct a bridge on the Yamuna near Shergarh without further delay.

[English]

(vii) **Need to charge concessional fare from Haj pilgrims and to provide them other facilities**

**SHRI SYED SHAHABUDDIN** (Kishanpur) : The annual Haj pilgrimage takes

regularly 27,000 pilgrims to Saudi Arabia. The pilgrimage logistics are organised by the Haj Committee with the support of the Government. That includes arrangements for transportation of pilgrims from India to Saudi Arabia and back, by air and by sea, and their accommodation and welfare while in Saudi Arabia. The Haj Committee Act is out of date, as the selection of pilgrims from various States has been decentralised. I urge the Government that the Haj Committee Act should be amended at the earliest possible. A policy decision should be taken soon about the availability of ships for transportation of Haj pilgrims in 1989, and on the question of transferring the subsidy so far available only to pilgrims travelling by sea, to pilgrims travelling by air, to bridge the gap between the sea and air fares, as also on the method for determination of the Haj air fare.

Air India must look upon Haj service as a national responsibility, and not as a commercial venture, and Haj air fare should be fixed at 2/3 of the normal IATA return fare, and all economy class pilgrims should receive a subsidy of 1/6 of IATA fare. It may be added that the royalty payable under Saudi Arabian regulations to the Saudi Arabian Airlines in case the latter decides not to exercise the option of transportation of pilgrims one way. Air India should absorb the royalty.

The uncertainty and last-minute rise in fare level be avoided. The programme of flights of Haj must be published at least two months before the commencement of flights.

I would urge the formation of a Standing Committee at the Central level, with representation of Ministries of External Affairs, Finance, Civil Aviation and Surface Transport to take quick decisions whenever matters are referred by the Haj Committee for approval of Government.

The Haj Committee, whose term has expired, must be reconstituted immediately.

(viii) **Demand for inclusion of Telugu films in film festivals.**

**SHRI K. RAMACHANDRA REDDY** (Hindupur) : A great injustice was done

to the Telugu film industry by various agencies of the Government, while films were selected for International Film Festival and Filmotsava. Though twenty-one films produced in various Indian languages were selected and screened for foreign audiences by the Indian panorama section, no Telugu film was selected during 1987-88. The reasons given for non-selection of any Telugu film cannot stand the test of scrutiny.

"SWAII MUTHYAM", a Telugu film produced in 1987 was unanimously selected by the Film Federation of India as the only film worthy of representing India in the Oscar Award competition. Even this film was not selected for Indian Panorama for 1987.

For the Film Festival which is being held in Japan, 25 films have been selected from various Indian languages. But not a single Telugu film has been found suitable. I, therefore, request the Minister of Information and Broadcasting and the Minister of Culture to look into the matter and ensure that justice is done to Telugu films.

**(ix) Need to take steps to check gold smuggling**

DR. DATTA SAMANT (Bombay South Central) : About 25 to 30 tonnes of gold is smuggled in our country every year. Major part of it is from Dubai and it is mainly smuggled through Western Coast, Indo-Pak border and through Air. The basic reason is high profit margin as gold prices in international market are much lower than those prevailing in our country. Profit margin works out to be one lakh rupees per k.g. The small timers make about Rs. 1000 in each tola of gold.

The specialised syndicate under cover of private insurance charge premium of just six to eight per cent of the value of precious metal being smuggled to India and it is totally reliable private insurance cover to illegal gold shipment of any value. In case consignment is seized by enforcement agencies, full payment of the value of the gold is made by Insurance Company. It is only 5 per cent of the total gold smuggled that is seized by government agencies.

Smuggled gold biscuits are having number and wrapped in papers which are numbered. Even this gold is caught by Customs, copy of Panchanama with all these details help the smugglers to get full payment from Insurance Company.

The entire activity is now marked by separate syndicate specialising in financing gold purchase from open market. Similarly collecting the sale proceeds, conversion into foreign currency through mainly Hawala operators and under cover banking processes, are thoroughly specialised jobs undertaken by different groups of people. Many times Customs Officers are also involved in helping drain of money from our country. I urge upon government to take immediate steps to stop smuggling of gold

**(x) Need to clear the drinking water project submitted by the Government of Gujarat**

SHRI DIGVIJAY SINH (Surendranagar) : The Saurashtra and Kutch region of Gujarat suffers greater water shortages than any other region of India. To counteract this, a project of Rs. 550 crores has been evolved to bring water in pipes from the Narmada Dam. The amount invested will be recovered from toll tax from a new bridge to be built across the Gulf of Cambay which would shorten the distance of vehicular traffic from the South to Saurashtra by 80 km. Moreover, revenue will be earned by putting a gas pipeline over the bridge.

As this will be economically the most feasible proposition, it should get priority amongst all over schemes. I request the government to give special attention to its early clearance.

**(xi) Need to resolve the problems relating to rehabilitation of the displaced persons from Pak-occupied Kashmir**

SHRI JANAK RAJ GUPTA (Jammu) : A good number of problems relating to the rehabilitation of the displaced persons of Pak-occupied Kashmir of 1947, are still pending. These problems have been discussed at different levels on more than one occasion in the past, but no decision has been taken so far.

[**Shri Janak Raj Gupta**]

The problems relating to Government of India relate to :

- (a) payment of lump sum grant to the displaced persons per family ;
- (b) payment of cost of land, deficient in the allotable unit of land to the rural displaced persons ; and
- (c) grant of development charges for developing plots in the urban areas.

I would like to urge upon the Union Government to provide adequate funds to solve the problems of these displaced persons.

[*Translation*]

(xii) Need to develop villages affected by colonies carved by D.D.A.

**SHRI BHARAT SINGH** (Outer Delhi): Mr. Deputy Speaker, Sir, D.D.A. acquires land of the villages of Delhi at cheap rates and sets up colonies with multi-storeyed buildings on that land, as a result of which the villagers are left neither with any space for playgrounds nor are they able to get fresh air. Not only that, villages are also not getting their required share of water supply and power because of these residential colonies in the neighbourhood. In addition, the villages are not able to get licences for shops and factories

D.D.A. acquires land but does not undertake any development work. Hence, the Government should ensure that playgrounds, parks and 'baratghars' are constructed in all such villages. Full development of these villages should be undertaken and wherever roads are in need of repairs or need to be constructed, necessary construction or repair work should be completed at the earliest.

[*English*]

(xiii) Need to give early clearance to Pollavaram Project and to constitute River Basin Authority early.

**SHRI SRIHARI RAO** (Rajahmundry) : The river Godavari is one of the major

water resources of the country. But unfortunately, more than 60 per cent of its water remains unutilised. There are no immediate plans by the Central Government to tap this huge water resource for the benefit of the entire nation. The State Governments namely, Maharashtra, Madhya Pradesh and Andhra Pradesh do not have the financial resources to immediately take up and execute expeditiously the hydro-electric and irrigation projects already cleared. The delay in clearing the Pollavaram project submitted by the Government of Andhra Pradesh to the CWC and the Central Government is an example of the gap between the projected national objectives and the ineffectiveness in implementing the plans for the realisation of the Plan objectives. Recently, the Central Government has announced its intention to form a River Basin Authority. This is a most welcome step, the formation of a River Basin Authority, so far as the river Godavari is concerned ; it will be meaningful only if the Central Government is able to provide financial assistance of Rs 1,000 crores to the State of Andhra Pradesh for taking up the Pollavaram project for immediate execution. The object of achieving 175 million tonnes of foodgrains production by the end of the Seventh Plan and also implementing the new slogan of '*Bekari Hatao*' can be achieved if such mighty projects are taken up.

(xiv) Need for inclusion of some monuments from Himachal Pradesh in the list submitted to the World Heritage Committee of UNESCO.

**PROF. NARAIN CHAND PARASHAR** (Hamirpur) : The list of 25 monuments submitted by the Government of India to the World Heritage Committee of UNESCO as per the answer given to Unstarred Question No. 9805 dated 5th May, 1988 does not contain a single monuments from Himachal Pradesh, Punjab and Haryana, which have a large number of monuments worthy of inclusion in this list. I request the Minister of Human Resource Development to recommend the rock cut temples of Maeroor in Kangra District, Narbdeswar temple in Sujanpur Tihra of Hamirpur District, Bachhretu temple of Bilaspur District and Tabo and Kye monasteries of Lahul and Spiti

district in Himachal Pradesh for inclusion in the World Heritage list.

**(xv) Need for intensive hydro-geological survey of Alwar district of Rajasthan.**

**SHRI RAM SINGH YADAY** (Parbhani) : There is no perennial source of water in the form of river or stream in district Alwar, Rajasthan State which would have been harnessed for irrigation of agricultural land of farmers. Presently, ratio of irrigated and un-irrigated lands there is of 35 and 65. A project of water supply through Tubewells is longstanding genuine demand of the farmers of the district. The operational capability of the Rajasthan State Ground Water Corporation set up by the Government of Rajasthan is negligible due to paucity of funds and rigs.

Water table of wells and tubewells had gone deeper from 40 ft. to 50 ft. in that area due to failure of monsoon rains and prevalence of drought conditions for the last four years. Hydro-geological survey undertaken in district Alwar, had been done on the basis of their old and outdated permanent points.

Systematic and technology mission based data survey was not done. Consequently, vast geographical areas have been identified as "dark areas" as regards availability of water. This type of survey has caused a great harm to the interests of farmers. Thus, there is a need of hydro-geological survey afresh in areas of district Alwar.

I, therefore, urge upon the Government of India that systematic and intensive hydro-geological survey of the whole geographical area of district Alwar should immediately be conducted by the Central Ground Water Board so that reliable information of level of water-table is assured to farmers.

Exploratory tube-wells (Bore-holes) in problem villages should also be undertaken so that people can get potable water.

**(xvi) Need to Sanction Swatantrata Samman Pension to all the freedom fighters.**

**SHRI DAL CHANDER JAIN** (Damoh) : The Central Government has awarded

Swatantrata Sainik Samman Pension to some of the freedom fighters while thousands of freedom fighters in the States have been ignored on the ground that they had not undergone imprisonment for the period prescribed by the Central Government as the criterion for eligibility to Central Swatantrata Sainik Samman Pension. This is unjust as the imprisonment was given according to judicial view. Gandhiji had said that a person who had been in jail even for a day was also a Tyagi. Every freedom fighter played a role in the freedom struggle. Now to classify them on the basis of period of imprisonment is unjust and disgraceful to the freedom fighters. Credit for winning freedom goes to all freedom fighters irrespective of the period for which they were imprisoned.

So, I, on behalf of the freedom fighters, request the Central Government to sanction the same Swatantrata Sainik Samman Pension to all the State Freedom fighter pensioners. Their request to treat all the freedom fighters equally as a group should be considered favourably and the limit of imprisonment should be cancelled.

**(xvii) Need to set up a bench of Kerala High Court at Trivandrum.**

**SHRI A. CHARLES** (Trivandrum) : A Bench of the Kerala High Court at Trivandrum, the Capital of the State, is a long standing demand of the Government of Kerala. In 1971, the State Legislature of Kerala had passed a unanimous resolution for establishing a Bench of the High Court at Trivandrum. But the matter is still pending with the Union Government. In answer to Starred Question No 679 of 1986, the then Law Minister made a categorical statement that he would make enquiries to find out whether any such request has been made by the State Government. But in spite of repeated reminders, no further action has been taken. I, therefore, earnestly urge for establishing a Bench of the Kerala High Court at Trivandrum without any further delay.

*[Translation]*

**(xviii) Need to take steps to check recurring floods in Bihar.**

**SHRIMATI PRABHAWATI GUPTA** (Motihari) : Mr. Deputy Speaker, Sir, for

**[Shrimati Prabhawati Gupta]**

the last few year, entire North Bihar is reeling under devastating floods. The economy of the entire region has been crippled due to the damage caused to crops and other things valued at Rs. one thousand crores last year. If devastating floods continue to inundate the entire North Bihar, the fertile land of this region will turn into desert in the near future. The situation in two districts—East Champaran and West Champaran—of North Bihar is really grim. Devastation caused by floods in fertile Champaran district is difficult to describe. About 3-4 hundred rivulets originating from Nepal inundate the entire region during rainy season. If a high power dam and reservoir is constructed on Champaran-Nepal border to check the flow of water, the menace of floods can be controlled to a great extent. In addition to this, the drawbacks in the Gandak project cause waterlogging in the entire region. Implementation of the Gandak Drainage Scheme is essential for which money can be borrowed from the World Bank.

My suggestion to the Central Government is to include the flood problem of North Bihar in the national programme and to start work on the Gandak Drainage Scheme. Central Government should take up the matter of constructing large reservoirs near the originating points of rivers with the Government of Nepal in order to find a lasting solution to the perennial flood problem.

**[English]****(xix) Need for early clearance of link portion of Chevuturu Major Canal**

**SHRI B.N. REDDY** (Miryalguda) : The work in upper reaches of the Chevuturu Major Canal in Krishna District of Andhra Pradesh has been completed recently and the work in the lower reaches had been completed four years ago. However, work on the reaches between 5.6 to 8.4 kms is not being permitted as it is stated to be a forest land. As reported by the Conservator of Forests, there is no forest between 5.6 and 8.4 kms. Despite that the Union Government has not yet cleared the project. As a result, about

4270 hectares of land is not getting water for irrigation for the last four years and the area has been badly affected by the drought. As a result of non-clearance of the project by the Union Government, people are very much agitated.

I, therefore, request the Union Government to clear the area for being dug and linked with the main canal so that water is available for affected areas for irrigation purposes.

**(xx) Need to remove disparity in fares for Haj pilgrims**

**SHRI SOMNATH CHATTERJEE** (Bolpur) : A large number of pilgrims from Eastern and North-eastern India go to Mecca for Haj from and via Calcutta. Pilgrims from other regions, whose travels originate from Delhi, Bombay, Madras or Srinagar are allowed to travel by chartered Air flights. But pilgrims from Calcutta are required to pay an additional sum of Rs. 2400 per person which is highly discriminatory and improper. Further, subsidy of 33 per cent in air fare given to Haj pilgrims since 1980 has now been substantially reduced to 15 per cent from 1984 which has imposed an additional burden on the poor pilgrims. The facility of issuing one free air ticket for every ten paid tickets should also be made available to the pilgrims. In the absence of proper and adequate shipping service being made available to the pilgrims, it is essential that Air flights should be provided at reasonable fares within the means of the pilgrims most of whom are poor people and spend their life savings. I urge upon the Government to treat pilgrims from all the centres at par and not to discriminate amongst them and no extra charge or fare should be levied on pilgrims whose travels originate from Calcutta and the subsidy in Air fare should be raised to 33 per cent as before.

I urge upon that the Government to take an early and favourable decision so that the Haj pilgrims going this year are not denied the minimum facilities. I also request the Government that it should frame a long term policy with regard to the travel facilities of Haj pilgrims which will benefit all concerned.

(xxi) Need to write off the loans of the farmers

SHRI C. JANGA REDDY (Hanamkonda : Sir, it is well known that Indian farmers most of the time remain under debt. Our farmers carry agriculture under many adverse natural conditions like drought, floods, pests. To add to his misery, he cannot fix the price of his produce has been taken away from the farmer as the agricultural price commission fixes support prices for the agricultural produce keeping in view the interests of the consumer.

The Government does not hesitate to write off loans of industrialists on the ground that the labour will be thrown out of the employment if the loan is not written off. But the agricultural sector is not viewed likewise. Had the farmer been allowed to fix the price of his produce as per his cost of production and margin of profits he would not have been put in such a situation. The traditional agricultural families are reluctant to continue agriculture any more. The farmers are day by day being disinterested in agriculture and are leaving the profession. If this trend is not arrested the future will not be so bright.

The farmers incur the debt because they do not get back proper return even after investing the borrowed money on agriculture. This most unequal, unfavourable economic race in which the farmer is forced to participate,

In order to see that the nation survives, it is the bounded duty of the Government to write off the loans of farmers, given by the commercial banks, Government and the private sector.

*[Translation]*

(xxii) Need to revamp Sindri Fertiliser Plant

SHRI KALI PRASAD PANDEY (Gopalganj) : Mr. Deputy Speaker, Sir, the foundation of Sindri Fertiliser Plant in Bihar was laid by the first Prime Minister of the country, Pandit Jawahar Lal Nehru in 1952 with the aim of providing employment to 15,000 workers besides solving the

fertiliser problem. However, fertiliser plant is not functioning according to the installed capacity and many of its units are lying closed. As a result, the number of workers has plummetted to 4,000 and the production level of fertilisers has also come down. In the coming months, fertiliser plant will become sick if obsolete and old machines are not replaced.

Therefore, I would like to request the Central Government to give practical shape to the following suggestions so as to revive the fertiliser plant :—

First, old machines of Sindri Fertiliser Plant should be replaced and closed units revived with a view to increasing the production capacity so as to provide employment to the unemployed.

Secondly, the Central Government should take over the maintenance of the road between fertiliser plant and Dhanbad to facilitate smooth transportation.

13.23 hrs.

**BHARAT PETROLEUM CORPORATION LIMITED (DETERMINATION OF CONDITIONS OF SERVICE OF EMPLOYEES) BILL—*Contd.***

*[English]*

MR. DEPUTY SPEAKER : We will now take up the next item, that is, further Consideration of the following motion moved by Shri Brahm Dutt on the 12th May, 1988, namely :—

“That the Bill to empower the Central Government to determine the conditions of service of the officers and employees of Bharat Petroleum Corporation Limited and for matters connected therewith, be taken into consideration.”

Shri Chintamani Jena to continue his speech.

SHRI CHINTAMANI JENA (Balasore) : Mr. Deputy-Speaker, Sir, I would like to continue giving my views.

[Shri Chintamani Jena]

on the issue which I had expressed yesterday also, Sir, while condemning the views expressed by some of the hon. Members in the Opposition, I would like to put emphasis that this Government is going to build up socialistic pattern of society. The opposition are always also giving the slogan of equal pay for equal work. Now, when the Government has come forward to implement it, so many objection are raised with the allegations that we are curbing the judiciary, etc. Sir, in this connection, I would only like to submit here that this is not the only instance when our society needed our help, our country needed our attention for building up a socialistic pattern of society. In the past also, we have amended certain laws which must have been helpful to achieve our goal of socialism. By saying so, I would like to remind my hon. friends in the Opposition, that in the case of nationalisation of banks, certain amendments were made. Similarly, when the East India Company started the Railways first, at that time, they appointed certain number of employees. But when it was under the private sector, they had appointed certain number of employees who would get special benefits more benefits than the employees who were appointed after nationalisation. Is it correct ? In one table one headclerk is sitting, he is getting more pay for doing the same work, but side by side in another table one employee of the same category is working, but he is getting less. Is it the slogan for equal pay for equal work ? We are going to implement the plan of a classless society in our country. So, this Government is coming with certain laws which will achieve this goal, and this is a small amendment or small law which has been brought by the hon. Minister. So, I would request the hon. opposition Members that they should not oppose this Amendment.

Similarly, Sir, one of the hon. Members in the Opposition was telling that this Government is going to curb judiciary. It is not only incorrect but also misleading because this Government believes in the three pillars of democracy and judiciary is one of them. If any one of the pillars

is weakened, that means our democracy will be weakened. So, this Government never tried in the past to curb the power of judiciary nor has it got the intention to do so. We have great respect and high esteem for the judiciary. So the view expressed by the Opposition is not correct.

Similarly, one of my friends in the Opposition was telling that this Government is anti-labour. We are giving several facilities to the labour and how is it that we are anti-labour ? We have taken up so many welfare measures for the labour. They should know that this Government is for the labour and they are implementing the welfare schemes which will benefit the labour. For want of time, Mr. Deputy Speaker, Sir, I am not elaborating on this, but I would only remind the hon. Members that this Government is not anti-labour, rather it is for the welfare of the labour and they have given several benefits to the labour.

One more point is regarding exploitation of workers in refineries. Of course, this does not relate to this particular Bill, but when it comes to the House for discussion, I would request the hon. Minister that his Ministry should look into this so that the workers engaged in the refineries are not exploited. We are getting such type of information from various sources that the workers working in the refineries are being exploited, they are not given minimum wages even.

One more point is that local people should be engaged in such refineries and also I would take the opportunity to request the hon. Minister to give clearance to Haldia petro-chemical refinery which will not only boost the economy of the country, but it will serve the poor people in that area.

One more point is that in the hill areas deforestation is going on due to lack of cooking gas in that area. In this connection I would request the hon. Minister to see to it so that cooking gas may be available to the people living in that area. Of course, on policy our Government decided to supply such

cooking gas to the hill and forest areas. So, this should be looked into.

Sir, in my constituency, one project from the Defence Ministry costing about Rs. 1000 crores is going to be executed soon named as National Test Range. There is demand for a petrol pump which may be given at the earliest near Basta, popularly known as Gandhi Chowk.

Sir, with these words, I wholeheartedly support this Bill.

**SHRI SATYAGOPAL MISRA**  
(Tamluk) : Mr. Deputy-Speaker, Sir, the Bharat Petroleum Corporation Limited came into existence by Central Legislation in the year 1976 when two of the British Companies, viz, the Burmah Shell Oil Refining Company and the Burmah Shell Storage and Distribution Companies were nationalised.

After 12 years, this Government has brought one Bill for the determination of conditions of service of the employees. It took them 12 years to come with this Bill. I do not know, in the mean time, how the conditions of different employees existed and how the administrative authority of this company dealt with this matter. There are three categories of employees. One category of employees belong to the British companies and the second category belongs to the services continued to be in the Government and the third category comes from the recruitment which was done after 1976, i.e. after nationalisation. A section of the employees who were employed during the regime of the British company do not agree to abide by the public sector wage policy because they want to enjoy the facilities which are entitled under the erstwhile British company. The only object of bringing forward this Bill is to reduce their facilities, and to take away the existing facilities. For that reason, the hon. Minister has brought forward this Bill. This legislation is not to give something to the workers. The very objective of this Bill is to take away something from a section of the employees of the said company.

We are more concerned about the fact that this Government cannot provide pay

and other benefits to the workers which even the British companies used to do. That is a matter of shame. There are some court orders regarding this Bill. Section 8 (3) of the Industrial Disputes Act, clearly states that the wages of worker cannot be reduced. But through this legislation, the Government is trying to reduce the benefit which the employees have been enjoying prior to 1976. Therefore, by passing the Industrial Disputes Act, by passing the concept of natural justice in the Constitution, by passing the common industrial practice, the Government has come with this Bill.

What is stated in the Bill is very much amusing. It says, it is for "equal pay, equal work". It is very good and I do not object this theory. I will be rather happy, if this concept is implemented in letter and spirit in every sphere of national life and not to take away something from a section of the employees. The previous speaker, told about socialistic pattern and socialism. I do not know whether he knows the pronunciation, meaning and spelling of the word "socialism", the definition of "socialism". I will request this Government not to use the words "equal pay for equal work" for reducing the existing facilities of a section of the employees, which they are going to do with this Bill. If they are really interested to implement the theory of "equal pay for equal work", they can ask their Labour Ministry to survey the national wage structure and national wage policy. The Government should bring forth a comprehensive Bill so that the disparity and discrimination which exist among the different sections of the employees are removed. I would also request the hon. Minister not to use the idea of equal pay for equal work in order to reduce the facilities of a section of workers. What can be done ?

Sir, some workers have been enjoying some better facilities and benefits prior to 1976. They do not want to give up those benefits and facilities. Now, the Government wants to frame a Public Sector Wage Policy. One thing can be done in this context, i.e, the employees who have been recruited after 1976 can be paid more. That is a very simple thing. That

[Shri Satyagopal Misra]

can be done. The theory of equal pay for equal work can be implemented in a proper way, proper manner and proper sense. I would, therefore, request the hon. Minister to consider this matter very seriously because in the Trade Unions, it has become a well-established policy not to give up the facilities which the employees have been enjoying for a long time. Everybody is against it. Therefore, while supporting the idea of equal pay for equal work, I am opposing this Bill because this Bill is particularly designed to attack a section of workers, to attack our judicial system, to attack the jurisdiction of the Court and to take away something which a section of the employees who have been enjoying the benefits and facilities for a long time.

[Translation]

DR. G.S. RAJHANS (Jhanjharpur) : Mr. Deputy Speaker, Sir, I support this Bill and congratulate Shri Brahma Dutt for taking a bold step. Only a few people know that Shri Brahma Dutt is a socialist in the true sense of the term. He has attached prime importance to the interests of the nation. The need of the hour is to save the country from dishonest industrialists and militant trade unionists. The Government must safeguard the interests of consumers. The people who hail from Bihar and Bengal know that it was a dream to be employed in Burmah Shell. I have personal experience of late fifties and early sixties. At the time when other companies paid Rs. 400 to their officers, Burmah Shell paid Rs. 3,000 and similar was the wage structure fixed for the workers of the company. Four-five months' salary was paid as bonus. Junior officers were also paid to and fro-passage for going to England. At the time of nationalisation of Burmah Shell, the Government committed a mistake by not compelling the company to adopt the same wage structure as that of other Public Sector Undertakings. There are many instances to quote in this context. When Coal India was nationalised, the employees were asked either to accept the salaries payable in other Public Sector Undertakings or quit. At the time of nationali-

sation of Jaipur Udyog, fresh agreement was signed by the Government providing same wages as were being paid to employees in other Public Sector Cement Companies. You see, this is a giant step forward. The Government says that it depends on the paying capacity, but my submission is that the paying capacity is for the country and not for paying handsome salaries to the employees. At present the wages and perks in Bharat Petroleum and I.O.C. are much higher as compared to other Public Sector Undertakings. I would suggest that this should also be reviewed. Will this be done? By adopting pressurising tactics, they want that they should continue to get the same salaries as were being paid to the employees of Burmah Shell. If same old wage structure is given to them, the employees of other Public Sector Undertaking will also demand the same wages. If the Government accepts the demand, it will only be appeasing a section of the people. Has the Government ever thought about the condition of the crores of people working in the unorganised sector? All right, if the Government brings uniformity in the salaries of all the employees by bringing them at par with Burmah Shell, who will bear the burden of increase in the prices of petroleum products that would become inevitable? The burden will fall on you, on us and ultimately on the consumers. This should not be done for appeasing a small section of the people.

The Government needs to be congratulated for taking such a bold step, because one after the other, all public sector units are becoming sick gradually. What is happening in public sector? The people of West Bengal should think seriously over it. Even reputed companies are becoming sick due to militant trade unionism, and we are unable to save them. Cannot the Government review the policy?

The Government should not raise the wage structure to such an extent that it becomes difficult for the industry to pay. Besides, if you allow a higher salary structure for one industry, there is every possibility for others to follow suit. The industry running at loss should be revived

and the health of others should be maintained. The Government should not accept a wage structure that is detrimental to the growth of the industry.

In the end, I would say that the hon. Minister has taken a very good step. I would like to request the Government to bring about uniformity in the wage structures of all industries to remove disparity, because we see a lot of blackmailing in the matter of overtime in the banking industry. Overtime is paid during working hours. Who shares the burden of all this? You and I. Many such things are there to discuss. This blackmailing in the matter of overtime and wages should be put to an end, because the interests of the Government, the public and the consumers are common. It is not only the interests of a section of the militant trade unionists, the Government is concerned about.

I want to congratulate Shri Pilot for his shrewd handling of the DTC strike. I hope the Government will take care of the interests of the public at large and not the interests of a section of the militants.

[*English*]

**SHRI INDRAJIT GUPTA (Basirhat) :**  
Sir, my friend Dr. Rajhans seems to be suffering from an illusion. And that illusion is that the present employees of the Bharat Petroleum, I mean, those who have been recruited after nationalisation are enjoying the same higher benefits which were prevalent at the time of the pre-nationalisation of the company. Those are the people who were in service before nationalisation. They are a small number. Their number is being reduced every year. By natural process, they are going out. I think, by another five or six years, there will be none of them left. What we are concerned, what this Bill is concerned with is approximately 2,000 or so—I do not know the exact number of employees who were recruited after nationalisation, after 1976, what has been their condition? Have they been given the same pay and emoluments as people used to get before nationalisation? Not at all. You should know that from 1976, to 1986

for ten years, all the new employees of the Bharat Petroleum Corporation have been treated as temporary workers. They were arbitrarily treated as temporary workers and given a consolidated wage. No dearness allowance separate, no basic pay separate, one consolidated wage was fixed and given to them as though they were temporary workers from 1976 to 1986. This is not stated here in the Statement of Objects and Reasons. And for that only, they have been indulging in litigation and going to the industrial courts, carrying on prolonged struggle in the court. Once there was lock-out also—I think, for some three or four months. And the company also has been spending quite a few lakhs, perhaps, crores of rupees, employing leading counsel and all that in order to fight these cases in the courts against the employees. Is it a fact or not that the industrial court has held against the company that they have been indulging in unfair labour practice? It has been held against them that by keeping these people as temporary, although they are working for ten years, they are depriving them of their benefits. The court has held that they are entitled to getting the same benefits as the people before the nationalisation were getting.

But what happened? After the industrial court structure or orders in 1986, the Corporation has now started paying them the same rate of dearness allowance which is applicable in the public sector generally, i.e. Rs. 1.65 per point of rise or fall in the cost of living index which is a general thing now everywhere in the public sector. That is being applied to them only after 1986, in the last two years only. The rest of the emoluments, the rest of their pay and all that is not being brought on a par at all with what they used to get in the old days. Now they have gone to the industrial tribunal again saying that they are entitled to the same benefits as the pre-76 employees. Against the industrial tribunal the Corporation has gone to the court with the writ petition asking for a stay order to be imposed on the tribunal. But as far as I know the High Court has given no stay order until now. The hearing of that writ petition is still pending in the High Court.

[Shri Indrajit Gupta]

It is just at this moment that the Government has come forward with this Bill. I would say that this Bill does not do any credit to the Government. They are bungling the whole thing—excuse me for my saying so. For ten years they have bungled the whole thing. Now it is only to cover up that bungling that this Bill has been brought.

From 1976 to 1986 they could very well have had negotiations and discussions with the workers and the Union and come to some settlement about this matter. But that also was not done.

It is also a fact that naturally at the time of nationalisation the corporation knew that they would have required a large number of employees. In future also they would have to recruit more people because these refineries have been expanding. But at that time they never bothered to think how they would fix the emoluments and conditions of service for the future employees. Nothing was done about it. Instead of doing something on a rationale scale, they just arbitrarily said that these people will all be treated as temporary workers and give one consolidated pay without any DA or anything else. Who bungled all this? Otherwise this situation need not have arisen at all.

Now there is a difficulty, I sympathise with the Minister. After all, Bharat Petroleum has got only one refinery in Bombay. Whereas the Indian Oil Corporation has got six or seven refineries. I don't know whether Hindustan Petroleum has got a refinery. The whole dispute is concerning the workers of one refinery in Bombay.

Therefore, obviously if here something is done which gives them a higher rate of pay and all that, then the workers of the IOA refineries will also be up in arms. Who created this anomalous situation?

You are bringing this Bill which is only an enabling Bill. Under it, the Government is taking the powers to bring in some new schemes irrespective of

any tribunal or court or any other law, agreement. Nothing will stand in the way of the powers of the Government to introduce a new scheme. Obviously this Bill is going to be passed; we cannot prevent it. So, I proceed from the assumption that the Government will have the powers from today or from tomorrow to bring in a scheme. When they are going to work out a new scheme and to pass orders, I would request the Government, after this Bill is passed, to at least sit down with these employees of Bharat Petroleum and have discussions. They are your own employees. Nowhere else in the public sector has this kind of an anomaly been created. There is a uniform public sector wage policy now. It is only an anomaly created by the management itself here for the last ten years. After you have taken this power, please sit down with your employees and discuss with them, hear their opinion and by agreement work out a scheme. It should not have retrospective effect in my opinion.

In our opinion if it has retrospective effect which means existing emoluments will be reduced sharply then you will land yourself in the same trouble which you want to avoid. As far as the old pre-nationalisation employees are concerned they are being protected. But they are very few in number. Bulk of the employees are new. They cannot continue to be treated as temporary employees. That is an unfair labour practice. There must be proper settlement regarding their wages. Nobody is suggesting they should get something more than other public sector employees.

I am sorry that the Government has brought things to such a pass. This is an unfortunate thing. Year after year you go in for litigation with your own employees spending huge amount on hiring of the services of the counsels. These workers are after all public sector workers. They are your workers and there are other petroleum workers in the public sector. There should be some uniformity and all that among them no doubt. I hope the Minister will take care to see in the new scheme being brought in these

workers are not put at a disadvantage that they have to suffer immediate reduction in their emoluments. If the workers lose Rs. 300 to Rs. 600 per month they will not agree to that and a big trouble will take place. So it has to be worked out in a way that there is no unnecessary confrontation with the workers. I think it can be done in a rational way. This piece of legislation should not be used to short-circuit the labour court, High Court and the Tribunal. The sole purpose of bringing this Bill seems to be to circumvent the labour court, High Court and the Tribunal. This, I think, does not give any credit to the Government.

I do not support the Bill but since a new scheme is being made it should be done in cooperation with the workers themselves and their representatives.

[Translation]

**THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHMA DUTT) :** Mr. Deputy Speaker, Sir, I would like to thank all those hon. Members who have expressed their views on the Bill. Yesterday also I explained the intention behind introducing this Bill. The intention is to formulate the conditions of service for fixing the salaries of these employees. It is correct that the Bill should have been introduced much earlier, but the intention of the Government is to pay good salaries to the workers of oil and natural gas industry, make available enough resources for oil exploration at new sites and to earn revenue for the public exchequer from them. It is a matter of pleasure that 12 out of 13 oil companies are working on these lines. The Government has made it clear in this Bill that the old workers working in the refinery, to whom Shri Indrajit Gupta, an hon. Member of the House has also referred in his speech, will be given protection so that they might not face difficulties. We are also seized of the matter that their number will decline substantially over the next 5-6 years. This is clear from the fact that this year alone, about Rs. 33.3 lakhs will have to be paid and in 1993-94, Rs. 2.2 lakhs are to be paid. Thus, gradually, they will be automatically

phased out, but at the same time, full care has been taken for their protection. At this point, I want to clearly state one thing that Bharat Petroleum is the product of amalgamation of two wings of Burmah Shell—Refining and Marketing. Now in refinery, there are 276 old employees, who are being governed by old conditions of service. There are 1864 new employees whose conditions of service and salaries are yet to be determined. In marketing wing, there are 136 old employees, who are working on old pattern of salaries. Most of them are posted in the clerical cadre in Bombay region. In this wing, there are 521 old employees, who are working on new conditions of service. Not 2,000 but 4,935 employees were recruited later on. We have reached settlement with them and dispute is only about 1864 employees. Their demand is that they should be governed by old conditions of service. But if their demand is accepted, we shall be creating anomaly in the company which has been set up on amalgamation of two companies. In addition, this will also create problems elsewhere.

The hon. Members have raised a few points. I would like to thank hon. Shri Ramaiah for supporting the Bill and at the same time advocating the case of the old employees. I have already stated that their rights will be protected by paying them personal pay. 521 old employees have already given their consent to be governed by the new conditions of service. Shri Pattnaik also stated the same thing and hence his point stands clarified. Shri Thomas said that the Government wanted to bypass the courts by introducing this Bill, but I would say that this is not true. The jurisdiction of the courts is clearly demarcated. They are to interpret the law. It is for the Government to formulate laws for the employees, according to the time and in the interest of the companies and the nation.

[English]

**SHRI THAMPAN THOMAS (Mavelikara) :** Are you aware of the Supreme Court's decision?

**SHRI BRAHMA DUTT :** I am aware of every thing. We are following every-

[**Shri Brahma Dutt**]

thing. But it is the right of this Parliament. It is within the powers of this Parliament to formulate certain new laws according to the new circumstances. I appeal to you to appreciate the circumstances. If this Bill is not approved, this will lead to a chain effect and so many other things.

**SHRI INDRAJIT GUPTA** : Why did you not change it all these years ?

**SHRI BRAHMA DUTT** : Better late than never.

[*Translation*]

Shri Indrajit Gupta has made a point, and my submission is, that the Government is not assuming the power of legislation but that to formulate a new scheme. We have also made this provision that when ever the new scheme is formulated, it will be brought before both the Houses of the Parliament. At that stage, if any hon. Member wants to bring any amendment, it will be duly considered.

This morning only, we met a delegation of the employees and we told them too, that whenever a scheme is formulated, they will be consulted and we have always had talks with them. It has been so ever since 1976 when we initiated the scheme. We had reached a settlement in 1987 effecting an increase of Rs. 100. In 1984, an increase of Rs. 150 to 450 was effected. Still the High Court has held that the old rate should be brought into effect w.e.f. 1.7.87 and we are complying with this. We do not intend to by-pass the orders of the court but we want that it should be in accordance to the present situations and no disparity is created in this regard. We want to bring in a proper legislation. I fully agree with the point raised by Prof. Ranga. I have already mentioned that the interests of the old workers have been duly considered and they will be protected by giving them the benefit of personal pay. Shri Datta Samant is associated with some employees' unions in the industry. He mentioned that a settlement was made and the workers have been working on breach of trust. I would

like to quote Clause 4 of the settlement, for your kind information—

[*English*]

"It is hereby mutually agreed that both the parties shall have the right to continue existing legal proceedings or seek further legal remedies up to the highest level, with regard to what wages, D.A. and other service conditions are or should be applicable to temporary workmen."

So we are taking this to the higher forum of this country.

[*Translation*]

14.00 hrs.

At present, we are complying with the orders of the court. Shri Rawat has made a point that the INTUC Union workers have not been treated properly. The best policy in regard to the workers is :

[*English*]

"Let us do good to the greatest number."

[*Translation*]

This is the best policy and we all have been demanding for equality and parity. I cannot assure complete parity at once but we are trying to bring in the maximum parity. I agree with whatever has been said by Shri Chintamani, Shri Jeevarathinam and Dr. Rajhans. I want to assure this House that whatever scheme is formulated, that will be a rationalised one and the interests of our old workers will be protected. We will also see that they are given the maximum possible benefits. But it would be inappropriate to say that since Bharat Petroleum or Hindustan Petroleum or I D C. are running in profit, therefore their wages should be increased accordingly. If this is done, the same situation will prevail there as is being faced by the Textile Industry in Bombay. We do not want to bring such a situation because we need money for research, exploration and development works and we also have to protect the interests of the workers. I have myself visited those places and met

the people there. They are being quite attractively paid according to the nature of their job. People working at Bombay High get a leave of 15 days to go home. In fact they work only for 15 days and get the full pay. We give them all the facilities because they undertake a very arduous and an extremely important job. I have myself seen all this. Had I been myself satisfied that this is not in the interest of the employees, I would not have brought this Bill. I myself have the same convictions as to which the hon. Members agree but it is my submission that whether it is socialism or any other progressive ideology, the basic thing is :

[English]

Let us go to the greatest number.

[Translation]

We have brought this Bill to protect it. Leave aside what was happening in Brahma shell or during the British period. If we are to follow the example of the British days in the other industries also, then you will see that it will create a dismal position. That we cannot do because the situation in those days was very horrible. Only a few people used to enjoy or avail all the facilities, while the rest of them i.e. 99 per cent people did not even get enough food to keep alive. Our effort is that everyone should get justice and there should be no unrest in the industry.

Dr. Datta Samant is associated with this and even Shri Indrajit Gupta's friends have a concern for the same. Hence all the concerned, all the hon. Members of the Parliament will get a chance at the time of the formulation of scheme and if we make a wrong scheme then you may bring amendments in it. It is no fault of mine that I have been trying to perform that task which should have been done much earlier.

With these words, I express my gratitude and request that you may appreciate the sentiments with which this bill has been brought. It has not been brought with an intention of doing any injustice to anybody or to hoodwink any body or else

to divest anybody with his powers. request that this Bill may be adopted.

[English]

MR. DEPUTY SPEAKER : The question is :

"That the Bill to empower the Central Government to determine the conditions of service of the officers and employees of Bharat Petroleum Corporation Limited and for matters connected therewith, be taken into consideration."

*The motion was adopted.*

MR. DEPUTY SPEAKER : The House will now take up Clause-by-Clause consideration of the Bill. The question is :

"That Clauses 2 and 3 stand part of the Bill".

*The motion was adopted.*

*Clauses 2 and 3 were added to the Bill.*

MR. DEPUTY SPEAKER : The question is :

"That clause 1, Enacting Formula, Preamble and Long Title stand part of the Bill."

*The motion was adopted.*

*Clause 1, Enacting Formula, Preamble and Long Title were added to the Bill.*

SHRI BRAHM DUTT : I beg to move :

"That the Bill be passed."

MR. DEPUTY SPEAKER : The question is :

"That the Bill be passed."

*The motion was adopted.*

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT) : Sir, may I request that the Resolution to be moved by Shri Rajeeb

[Shrimati Sheila Dikshit]

Pilot be taken up before the Criminal Procedure (Amendment) Bill ?

MR. DEPUTY SPEAKER : I think the House will accept this.

SEVERAL HON. MEMBERS : Yes, yes.

MR. DEPUTY SPEAKER : Now the House will take up Item No. 30.

**RESOLUTION ON ROAD DEVELOPMENT**

14.05 hrs.

[English]

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI RAJESH PILOT) : I beg to move :

"In supersession of the Resolution on Road Development adopted by the Parliament (Rajya Sabha on the 1st April, 1976 and Lok Sabha on the 18th June, 1977), this House hereby resolves that :

1. There shall continue to be set apart an amount not less than 5 per cent of the basic price out of the duty of customs and of excise levied on motor spirit and diesel and the proceeds thereof shall be applied for the purposes of development and maintenance of roads.

2. (1) The proceeds of such an amount so set apart in any financial year, reduced by duty attributable to taxed motor spirit and diesel used in aviation during the same period, shall be credited as a block grant to a separate Road Fund to be maintained in the Public Account of India.

(2) For the purpose of this Resolution taxed motor spirit and diesel shall mean motor spirit and diesel upon which the duty of customs or excise duty have

been paid and in respect of which no rebate of such duty shall have been given.

3. (1) The accruals to the Road Fund shall be allocated by the Central Government in the following manner :

(a)  $\frac{1}{2}$  per cent of the accruals from the Fund be utilised for defraying the cost of administering the fund.

(b)  $35\frac{1}{2}$  per cent of the accruals from the Fund be utilised by the Central Govt. for development and maintenance of National Highways.

(c) Balance 64 per cent of the accruals from the Fund be utilised by the State/Union Territories for development and maintenance of the State Roads on the basis of petrol and diesel consumption in each State/Union Territory.

(2) The balance of accruals to the Road Fund till the date of the adoption of the revised resolution by the Parliament will be allocated by the Central Government in the manner as provided in para 3 (1) above.

(3) The portions allocated for expenditure in the various States and Union Territories shall be retained by the Central Government until they are actually required for expenditure in the manner hereinafter specified.

(4) If in the opinion of the Central Government, the Government/ Administration of any State/Union Territory has at any time—

(a) delayed without reasonable cause the application of any

portion of Road Fund allocated are re-allocated, as the case may be, for expenditure within the State or Union Territory the Central Govcrnment may resume the whole or part of any sums which it may at that time have held for expenditure in that State or Union Territory.

(5) All sums resumed by the Central Government from the Account of any State/Union Territory Govt as aforesaid shall be re-allocated between the credit accounts of State/Union Territory Govts, including the defaulting State in the ratio of the main allocation for the financial year preceding the year in which the re-allocation is made.

4. The balance to the credit of the Road Fund or of any allocation thereof shall not lapse at the end of the financial year.

5. The Central Road Fund shall be utilised for financing such of the Schemes connected with roads as the Central Govt, may approve."

I would also like to say a few words. The cess on petrol was started in 1931 and at that time, the cost of petrol was two and a half annas, that is 14 paise per litre and 3.5 paise was levied as a cess on the petrol for the road sector. That means 25 per cent was supposed to be provided for the road sector, but after that we did not modify this system and it continued. Today, the cost of petrol has gone up to Rs 8.50 from 14 paise per litre. But our cess remains the same. Diesel was not there at that time. Therefore, there is no cess on it. We want to bring diesel also within the purview of this cess.

After this resolution we will be able to get for the road sector Rs. 320 crores. There would not be any effect on the price of diesel or petrol. It will be adjusted. What we propose to do is that 5 per

cent of the cost of diesel and petrol will be kept separately for the road sector. With this we have also said that 64 per cent of it would go to the State Governments and 36 per cent to the national highway. Out of Rs 320 crores, Rs. 200 and odd crores will go to the States for the development of road sector and Rs. 100 crores will go to the centre to develop and maintain national highways. The demand on the national highways has gone up very high. Now, we have got 32000 kms of national highways and the demand and the road sector is increasing day by day because of the increased traffic.

Keeping in view the increasing load on the road sector, we have brought this resolution.

As the hon. Members will agree with me, the road sector has to be given some financial assistance so that we can develop the economy better and we can help the economy of the country. It is with this intention that this resolution has been brought. It has been passed by the Rajya Sabha and I request the hon. Members to pass this resolution here also.

**SHRI THAMPAN THOMAS (Mavelikara)** : Sir, apart from the diesel and petrol, is there any item used for the movement of vehicles ? We hear of electricity, gas etc. Why can't you include these also in this resolution ? Further, the apportionment of the States' requirements may also be made and some priority given to the important highways. Certain safeguards should also be provided for immediate utilisation of the fund.

**SHRI RAJESH PILOT** : This is only in respect of petrol and diesel. As on date, in the transport system, these are the two things being used. Somewhere, gas has also been used, but that is not much.

As far as the State Government's requirements are concerned, we have taken that into consideration and that is why allocation has been done in such a way that the State Governments are also helped to develop their roads.

**SHRI INDRAJIT GUPTA** (Basirhat) : May I seek a clarification ? May be it is due to my ignorance. What is the meaning of : "5% of the basic price out of the duty of customs and excise levied on motor spirit and diesel..." I mean, is it 5 per cent of the duty on excise or is it 5 per cent of the price at which we are buying petrol and diesel ? What is the meaning of 5 per cent of the basic price.

**SHRI RAJESH PILOT** : Basic price is basic price. I will tell you, what we have taken into consideration is Rs. 4554 per Kilo Litre. This basic price must be after the . . .

**SHRI INDRAJIT GUPTA** : Minus the excise duty.

**SHRI RAJESH PILOT** : I will get it checked, Sir.

**SHRI V. S. KRISHNA IYER** (Bangalore South) : Will the Hon. Minister tell, how much is he getting now ?

**SHRI RAJESH PILOT** : We are getting roughly Rs. 10 crores from the previous cess and out of this Rs. 10 crores, we hardly get 1½ crores for the central road fund which is very meagre considering the task of the roads. I think, the basic cost that we have taken is 5 per cent of the basic cost of petrol and diesel.

I think you wanted to clarify which basic price we have taken into consideration. So, Sir, I stand corrected.

**SHRI INDRAJIT GUPTA** : Because what you have said is the basic price out of duties of the custom and excise.

**SHRI RAJESH PILOT** : I will clarify. There is a legal thing in this. Out of Rs. 8.5 per litre the cost of product is only Rs. 4.5. So, our suggestion is 5 per cent of the pre-excise. Yes, it must be pre-excise.

**SHRI THAMPAN THOMAS** : The word 'out' has created confusion.

**SHRI RAJESH PILOT** : I think, I will clarify it.

**SHRI INDRAJIT GUPTA** : You clarify it in due course but it should be clarified.

**SHRI RAJESH PILOT** : Yes, I will clarify it, Sir.

**SHRI INDRAJIT GUPTA** : Secondly, Sir, I would like to know how the amount which is going to accrue to the States is to be divided between the States ? Will it be on the basis of mileage of road which exists in the State or on what basis.

**SHRI RAJESH PILOT** : It is on the basis of consumption of petrol and diesel.

**SHRI BASUDEB ACHARIA** (Bankura) : Sir, why was this decision taken after such a long time ? Why was it not thought of earlier ?

**SHRI AMAL DATTA** (Diamond Harbour) : Because earlier Shri Rajesh Pilot was not there.

**SHRI INDRAJIT GUPTA** : Better late than never.

**SHRI BASUDEB ACHARIA** : And secondly, the percentage that you have given to the States is not sufficient because conditions of the State road highways are very bad. So, you at least give minimum of 75 per cent of what you get.

**SHRI RAJESH PILOT** : Again in the reasolution it is written :

- (a) ½ per cent of the accruals from the Fund be utilised for defraying the cost of administering the fund.
- (b) 35½ per cent of the accruals from the Fund be utilised by the Central Government for development and maintenance of National Highways.
- (c) Balance 64 per cent of the accruals from the Fund be utilised by the State/Union Territories for development and maintenance of the State Roads on the basis of petrol and diesel consumption in each State/Union Territory. Government did think

on the lines of what the hon. member has stated, that is, we must enhance the cess on petrol and diesel. But now, a demand is being made by many States to declare more and more state roadways into national highways. Previously, the ratio was 80 : 20.

But now the demand from each State is to take more State roads into national sector. That is why we kept the proportion of one-third for the national highways and two-thirds for the States. This is a very good scheme.

**SHRI BASUDEB ACHARIA** : If you provide more money than what is now being allocated for the States, then this demand will be reduced. Then, States will not demand that the State highways be converted into national highways. It is only because of your resistance to allocate more, this grievance exists.

**SHRI RAJESH PILOT** : I may tell you what I have experienced in these two and half years of my association with this Department. We are getting complaints that the quality of work in the States is not very good. When you drive on a highway, you can make out whether you are in Bihar or West Bengal or Punjab. The road gives you the clue as to which State you are travelling in. That is why the Government is also thinking of having the National Highway Authority. This way we can have good competition. Honestly, this is a national cause. If you give money and still the quality of work is not good, that shows the sorry state of affairs. When we spend from the exchequer, quality must be ensured. We have this in mind and that is why we have given 64 per cent to the States to maintain State roadways.

Now, I will clarify Shri Indrajit Gupta's point. Our suggestion is to levy 5 per cent as cess on the cost of 5 per cent of Rs. 4.50. That is, we have taken the basic cost for the purpose of calculation.

**SHRI INDRAJIT GUPTA** : That means the excise duty and customs duty are reduced.

**MR. DEPUTY SPEAKER** : The question is :

"In supersession of the Resolution on Road Development adopted by the Parliament (Rajya Sabha on the 1st April, 1976 and Lok Sabha on the 18th June 1977), this House hereby resolves that :

1. There shall continue to be set apart an amount not less than 5 per cent of the basic price out of the duty of customs and excise levied on motor spirit and diesel and the proceeds thereof shall be applied for the purposes of development and maintenance of roads.
2. (1) The proceeds of such an amount so set apart in any financial year, reduced by duty attributable to taxed motor spirit and diesel used in aviation during the same period, shall be credited as a block grant to a separate Road Fund to be maintained in the Public Account of India.
  - (2) For the purpose of this Resolution taxed motor spirit and diesel shall mean motor spirit and diesel upon which the duty of customs or excise duty have been paid and in respect of which no rebate of such duty shall have been given.
  - (3) (1) The accruals to the Road Fund shall be allocated by the Central Government in the following manner :
    - (a)  $\frac{1}{2}$  per cent of the accruals from the Fund be utilised for defraying the

[Mr. Deputy Speaker]

cost of administering the fund.

- (b) 35½ per cent of the accruals from the Fund be utilised by the Central Government for development and maintenance of National Highways.
- (c) Balance 64 per cent of the accruals from the Fund be utilised by the State/Union Territories for development and maintenance of the State Roads on the basis of petrol and diesel consumption in each State/Union Territory.
- (2) The balance of accruals to the Road Fund till the date of the adoption of the revised resolution by the Parliament will be allocated by the Central Government in the manner as provided in para 3(1) above.
- (3) The portions allocated for expenditure in the various States and Union Territories shall be retained by the Central Government until they are actually required for expenditure in the manner hereinafter specified.
- (4) If in the opinion of the Central Government, the Government/Administration of any State/

Union Territory has at any time :

- (a) delayed without reasonable cause the application of any portion of the Road Fund allocated or re-allocated, as the case may be, for expenditure within the State or Union Territory, the Central Government may resume the whole or part of any sums which it may at that time have held for expenditure in that State or Union Territory.
- (5) All sums resumed by the Central Government from the account of any State/Union Territory Government as aforesaid shall be re-allocated between the credit accounts of State/Union Territory Government including the defaulting State in the ratio of the main allocation for the financial year preceding the year in which the re-allocation is made.
- 4. The balance to the credit of the Road Fund or of any allocation thereof shall not lapse at the end of the financial year.
- 5. The Central Road Fund shall be utilised for financing such of the schemes connected with roads as the Central Government may approve".

*The motion was adopted.*

14.15 hrs.

[SHRIMATI BASAVARAJESWARI  
in the Chair]

CODE OF CRIMINAL PROCEDURE  
(AMENDMENT) BILL

[English]

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P. CHIDAMBARAM) : Mr. Chairman, Sir, I beg to move :

"That the Bill further to amend the Code of Criminal Procedure, 1973, as passed by Rajya Sabha, be taken into consideration."

In cases of corruption, particularly those attending large deals involving foreign parties, as well as other economic offences, allegations are generally made that money illegally obtained is deposited in foreign banks by the offenders. For successful investigation and prosecution of such cases, the cooperation from foreign governments, where the offenders or witnesses reside, becomes necessary. The Government of India have been seriously contemplating entering into agreement with foreign Governments, including the Government of Switzerland, for mutual assistance in criminal matters.

Agreements with foreign countries in regard to mutual assistance in criminal matters are entered into on the basis of reciprocity. Mutual assistance in criminal matters requires cooperation with the law enforcement agencies in foreign countries in regard to locating witnesses, obtaining information from persons who are under investigation, and investigation of crime not involving the exercise of any measure to compel any person to answer any question, etc. This is secured by the provisions of the agreement entered into with the foreign Government concerned. In regard to taking of evidence or production of documents using compulsory measures for the purpose of criminal proceedings, the criminal law of both the contracting countries must contain appropriate provisions.

There are already provisions in sub-section (3) of Section 285 and Clause (b) of sub-section (2) of Section 290 of the Cr. P.C. which incorporate the principle of reciprocity in regard to taking of evidence of witnesses on commission in India and in a foreign country. However, section 105 of the Cr. P.C., which provides for reciprocal arrangements in regard to issue of processes, does not at present enable a court in India to issue summons or warrant to be served or executed outside India, or *vice versa*. It has been considered necessary to amend this section to enable a Court in India to issue summons or warrant for production of documents using compulsory measures to a court in a foreign country, and *vice-versa*.

Sir, since the above legislation will enable the Government of India to obtain documents and other evidence from witnesses residing in foreign countries for the prosecution of offenders, I commend the Bill for the consideration of this august House and request the unanimous support of the Members.

SHRI AMAL DATTA (Diamond Harbour) : Madam, this is a Bill to which we are not objecting. I think Mr. Chidambaram should be very happy about it. But we still have a point as to why this Bill was not brought earlier and why the treaties with various countries had not been concluded earlier when the country was seized, of such an important matter such as Bofors issue, for which a Joint Parliamentary Committee was set up. The Joint Parliamentary Committee has expressed its helplessness in getting information, which could otherwise have been possible—perhaps I do not know, that was not made clear—if such an Act was existing in India at that time and contracts were concluded with the countries from where we wanted information. So, there was nothing at that time. It is only after the Joint Parliamentary Committee has given its Report and the Debates have been concluded that this Bill has been brought at the fag end of the last day of the Session.

I do not think Bofors is going to die a natural death. The ghost of the Bofors is going to haunt us for some more time.

[**Shri Amal Datta**]

and also other matters, apart from the Bofors' issue. This Act will become useful only if the Government enters into treaties with the countries concerned. That is also a matter of doubt—whether the Government is going to enter into treaties with the countries from which we are likely to get information. If the Minister had made it clear that with all countries, we will have treaties with whichever country we have got transaction, it would have been better. I would say, it would be better that before concluding a contract for a big Defence purchase, we shall have a Treaty with that country so that these Clauses now sought to be enacted will become effective in regard to that country. I would have been very happy. But no such promise has been made. This is very significant. The weapon will be here but that will be subject to having a treaty with the country concerned; otherwise it will be of no use. So, the Minister at least in his speech which he had completed yesterday—I didn't listen to his opening speech, but today I have listened to him—he has not said anywhere that significant transactions, particularly in a sensitive subject like Defence, where disputes may arise later, suspicions may arise later, are going to be concluded there. Such treaties should be first entered into. That could have proved the *bona fide* of the Government, had the Minister said that. But not having said that, we only hope, as a pious wish, that the Government will do so in future and not merely leave us with this toothless weapon. It would be of no use unless such treaties are concluded.

Madam, we have nothing more to say. This is a good beginning, but I am afraid the end will probably is not decided.

**SHRI THAMPAN THOMAS (Mavelikara):** Of course this Bill is of much significance but I feel that it is innocuous. But I do not know how the Government will be able to implement it in the absence of a Treaty. That is my first submission.

Section 2 of the Criminal Procedure Code says that "it extends to the area..."

You have laid down the jurisdiction. You say that this Act applies to the Territories within India, except Jammu and Kashmir. Then, you are bringing something inside the law—Section 105 and Section 284. You will then be able to exercise certain rights under this Act, outside the jurisdiction.

Mr. Chidambaram was a successful lawyer; and I know that he will be able to answer me on this question. I have a *bona fide* doubt in my mind as to how you are going to exercise it and, therefore, I feel that it is ineffective, and that it cannot be made effective.

Secondly, in the absence of a treaty, without a treaty, how will it be possible to do anything with foreign countries? For example, the Swiss law says that having accounts in their banks is not an offence. In Switzerland, the Swiss mainly live and make their living through hospitality. Their banking system and their way of life are such that the income of their nation is based on this hospitality. They take care of the people who want to be taken care of. So, according to their law, depositing in a bank and keeping it secret is not a violation of any law. So, if it is not a violation of the law of that country, they are not bound to do certain things which come as a violation of another country's law. So, it goes without saying that it is mandatory, before implementing or bringing in such things, to take certain precautions. I feel that that treaty is very much important, because I know there is the influx of persons from our country to other countries. In fact, I welcome this bill; but I find that many things have to be done if this Bill has to be implemented. If this Bill has to be implemented, not only Sections 185 and 284 have to be amended, but many other things have also to be done consequently. For example, suppose a person is arrested by the issue of a warrant in America or in Switzerland. Now, the law is that if a person is arrested on the basis of a warrant issued from Tamil Nadu, in Delhi, if a person is so arrested, he can straightway go to the Sessions Court there or whichever court has issued it or whichever court is execut-

ing it, and get a bail. He gets it saying that he will appear before that court as and when it is necessary. So, unless Sections 185 and 284 are amended consequentially, and if other procedural matters contained in the Cr.P.C. are not amended, then what will be the consequences ? I would request the hon. Minister to explain these things. What will be the consequences, if a person is arrested by a court in our country for an offence committed here ; in the absence of a treaty, or without going into the details of it, and without going into details—what will be the consequences of it ? So, by reading the Statement of Objects and Reasons and what is written in this amending Bill, I find that this cannot be a good piece of legislation, without amending other things also. So, along with this, I hope the hon. Minister will have to come immediately with these things. Otherwise, I feel that this is one of the gimmicks in politics, because you have not got anything from Mr. Win Chadha, and you could not get certain other things. Then there were other problems coming up. Naturally, the question came up before the JPC. Evidence could not be taken. And in the face of such a provocation before the Government, something, some action was necessary, and you have brought this. My feeling about this subject is that this is the immediate reaction of the Minister ; he wanted to do something. But I feel it is of no consequence. It has got the only consequence of appealing to the public, and saying that Government is taking some action in this matter, i.e. to have a populist approach to this subject. (Interruptions) It is a legal question which I am raising.

So, what I am submitting is this. Regarding the piece of legislation which has come before this House, I would say that it shows the intention of the Government. More than that, if you have got a honest approach, and want to really do things which are very much conducive to this purpose and necessary in the present state of affairs to book the culprits who are having vast amounts of black money abroad, you have to take some further action. I do not know how many crores are there. From the recent IMF report, we all know that the black money deposited in

the Swiss banks is a threat for all of us, a threat to our nation. Our nation is going somewhere near the Latin American countries with regard to the generation of black money using those banks.

If such things have to be brought out and such people have to be brought to book, the other things which are very much necessary in these matters will have to be done. Of course, I appreciate the steps taken by the Government. I feel that it is only a populist approach. Otherwise, I welcome it.

**SHRI SHANTARAM NAIK (Panaji) :** I stand to welcome this Bill. It will go a long way in tracing certain aspects documents which were earlier not within the control, of our courts.

Regarding signing in future of extradition treaties and other treaties with other countries, it will be very nice if these treaties are signed with respect to issuance of summons, warrants, searches, etc. If these treaties are made part and parcel of the Cr.P.C. and if they are appended to the Schedule of Cr.P.C. for the court to pursue it from time to time, it will help in a better way. Supposing we enter into a treaty for the purposes of issuing summons with 'X' country, if the whole treaty is available with the judge concerned, then the concerned judge can help the prosecution machinery and other machinery in a proper way for the purposes of issuing summons and execution of summons. Today, we have only a sketchy provision which will not give a correct picture of the treaty that we have got with a particular country to the concerned judge for the purposes of execution of summons. How can it be done is a matter to be seen. I suggest that rather than incorporating it in the whole Cr.P.C. let it be appended to Cr.P.C. as an annexure or as a schedule so that the court can pursue it. Secondly, with respect to summons which are issued from time to time in this country, I would say that our machinery, of course, with respect to issuance of summons have to be strengthened; because, today, if a bailee or a person taking a warrant or a policemen taking a warrant goes to a village and issues a summons to an offender, one does not know the fate

[Shri Shantaram Naik]

of the bailee or the person who serves the summons. Therefore, they must be given adequate protection and also sufficient *bhata* (allowance). Today the system in most of these States is that we affix the court fee for this and then after a few days or weeks that amount will be paid to the concerned bailee for having served that summons. In order to serve a summons in an effective way we should see to it that proper salary or *bhata* (allowance) is given to the bailee for serving that summons effectively. Besides this, they are also given proper conveyance so that within a short time the summons are served or a warrant as it is called is served. If this is done, the culprit against whom a summons or a warrant is to be served, will not be able to escape from issuing a summons. They will not be able to hide things which are sought to be attached by way of searches. Therefore, in a way, it will go a long way in better administration of justice.

Today we are issuing search warrants for articles to be seized; and they are kept in certain premises. A few courts in India have got proper rooms to keep muddemals. If the muddemals are not kept in a proper room, at the time of trial of a case, we do not find this muddemal as a result of which most of the trials fail and trials have to be conducted without muddemal. Of course, it will involve a lot of fund for the State Governments. But in future we have to have a separate premises for the purpose of muddemal, separate premises, correct and foolproof premises for the purposes of maintaining a record.

Thirdly, as of now, we will be having a special machinery for the purpose of recording and preserving modern techniques of evidence and in some of these cases we have been told the other day, that unless certain air-conditioned rooms are available, certain fine documents cannot be preserved in those courts. Therefore, in these circumstances we have to think on these lines that apart from the court premises whether we have to have such rooms where we can keep those Muddemals and preserve the records.

**SHRI E. AYYAPU REDDY** (Kurnool) : I am in broad agreement with the objectives of the Bill. In fact, crime has been changing very fast. It has become very complex. The modern criminal is highly sophisticated, highly educated and he is having high technological knowledge also. Crime is no longer confined to a particular State or even to a country. In fact, inter-State crime and international crime is the biggest threat each country is facing; especially violation of laws relating to customs, excise, smuggling and drugging, various things have now become international.

I am very happy that some steps are being taken and the Central Government finds it necessary to amend the Criminal Procedure Code. But this according to me is only a first step and not a comprehensive step. I do not know the international law, where crime are committed by citizens belonging to two or three or four countries conspiring together, whether such people can be investigated, charge-sheeted and tried.

**SHRI THAMPAN THOMAS** (Mavelikara) : Charles Sobhraj is an example.

**SHRI E. AYYAPU REDDY** : An Indian conspires with a Nepali or a Pakistani or with a person from U.S.A. or a Swedish person, and all of them conspire together, most probably the principal may be a foreigner. The other persons who commit the offences may be the agents of the principal who is outside. Now, to try all those people belonging to the various countries our present procedure will not be sufficient. The entire criminology requires a fresh look for the purpose of tackling international crime. This is confined only with regard to service of summons and search warrants. The present bill is confined only to this.

The only doubt which arises in my mind, with regard to the present bill is if a person is arrested in India, he will have the benefit of Sections 80 and 81 of the Criminal Procedure Code. Mr. Thomas said it just now. He can get a bail from a district Judge or a district court as provided under Section 81. But if the

particular country where we are going to have an understanding has no similar provision as is provided under Sections 80 and 81, then what is the alternative? Will it not be a discriminatory step if an Indian outside is arrested and there is no provision in that country for getting him released under Section 81; whereas a person arrested here can get the benefit of Section 81. Therefore, what I suggest is in coming to an understanding or an agreement with the country, you must provide for the benefit of sections 80 and 81 also, wherever there is not such a provision in that country so that the citizen arrested outside the country, if he is able to satisfy that he is entitled to be released on bail, and that he could assure the authorities there that he will appear before that court and is able to provide his own bail in that court, naturally, he must be entitled to be released on bail. So, if there is no such similar provision, as is provided under Sections 80 and 81 of the Criminal Procedure Code, then, while entering into an understanding with the contracting State, you must provide for a provision like Sections 80 and 81, so that he can get himself released there.

Then, will it be possible for this country to come to an understanding with the Contracting State, as you have chosen to call that country as a contracting State, with regard to trial of the citizens of the State as well the citizens of this State, before one forum, either it may in that country or in this country? If two or three citizens of various countries collaborate and commit an offence, then they must be tried before one forum. Will it be possible for you to come to an understanding even with regard to that? That is one question, which I am posing. This is not possible in the present Bill. Today, the Home Minister introduced in this House another amendment to the Criminal Procedure Code, a fairly comprehensive amendment. At least in this Bill, which has to come again before this House during the next session or sessions, you must try to provide for a trial of foreigners also by an understanding with that country. For example, the Bhopal case has given out any amount of trouble and we have to provide for the trial of the case by a special enactment. I suggest that

this may be provided for in the Bill which has been introduced in this House by the Home Minister today.

With these remarks, I am supporting this Bill.

[*Translation*]

DR. G. S. RAJHANS (Jhanjharpur) : I have to make two-three points. It is a very innocuous Bill and has several provisions. The economic offences in our country have increased very much, the hon. Minister has also made a mention of it just now. The World Bank has mentioned in its report that our people have their deposits not only in Switzerland but also in other countries viz. America, England and other countries of Europe and Arab. You will be surprised to know that a new trend is developing that the officers posted in the border areas of Nepal adjoining U. P. and Bihar are depositing their money in these banks. It is a serious problem and needs attention.

As regards the development works particularly in the border districts of Bihar adjoining Nepal, not even 20-25 per cent of these works are actually undertaken. Instead, the funds allocated for that development, are being diverted and got very shamelessly deposited by the bureaucrats and the engineers in the banks in Nepal. Nepal is also going to be a new Switzerland. The Government should take care of it. As it is, there is no restriction on the movement across the border of Nepal.

I do not know whether the hon. Minister is aware of it that one year back one of the officers had crossed over to Nepal where he met with a truck accident and died there under the mysterious circumstances. Once when the C. B. I. conducted a raid on the premises of a Commissioner lakhs of rupees were recovered from him. Officers of the C. B. I. and of the other departments working in this area have accumulated wealth and got it shamelessly deposited in Nepal. Therefore, if this Bill is adopted, then the action will be taken not only regard to the money deposited in Switzerland and other

[Dr. G.S. Rajhans]

countries, but we will also be able to detect the economic offences in regard to the depositing of money in Nepal. We will be able to get the concerned documents. We will be in a position to get information from the Nepal Government. Hence this Bill deserves welcome. We must have treaty with other nations in regard to the economic offences to enable us to get the documents and issue summons to call the witnesses to give their evidence.

The hon. Members of the opposition have raised the doubts as to whether the Government will be able to materialise it. But when the Government has taken a decision, it will certainly be able to do it and one should appreciate the Government for its commendable performance. It is not very easy to round up the offenders as they have very sophisticated measures. But despite all these problems, the Government will be well equipped after this amendment in the code of criminal procedure, to 'bring to book' the economic offenders and set them on the right track.

[English]

**SHRI SRIBALLAV PANIGRAHI**  
(Deogarh) : I thank you for giving me an opportunity to express my views on this Bill.

It is a simple Bill of a technical nature for adding one or two provisions, but with a lot of significance. I welcome this Bill whole-heartedly. By bringing this Bill, the Government has displayed its sincerity in fulfilling different promises and commitments made on the floor of the House. A commitment is going to be honoured and a promise is going to be fulfilled by the passing of this Bill.

The entire country is exercised over large scale accumulation of wealth outside the country. Some Indians are there who are amassing wealth outside the country illegally. Some people are indulging in nefarious activities and they are just managing to leave the country and take refuge abroad. Whatever efforts the

Government were trying hitherto, were not successful wholly in bringing them back for necessary trial, etc. This legislation will go a long way in meeting that exigency.

Madam, as you know, there has been severe criticism also, both inside the House and outside the House, that some people whose presence was very much necessary in India for interrogation for investigation, for their appearance in courts, used to avoid coming here on different pleas—sometimes saying that they were Green Card holders, sometimes on health grounds and sometimes on some other grounds. This is some sort of an arrangement going to be made on the basis of reciprocity. As I find, it is an enabling provision. It enables the Government to secure documents to proceed further with investigation of different crimes committed in this country by those people, those criminals, those accused etc. who are living elsewhere, outside the country. So, this is an enabling provision and information will have to be exchanged. Of course, it will go a long way, as pointed out by the previous speaker, in the matter of investigation, in ensuring their presence, their evidence and everything. What I would like to know from the Minister, when he replies to the debate, is what progress has been made so far in reaching agreements with different countries.

Now, these terrorism and economic offences, etc. are increasingly becoming an international menace. These are no more confined to this country or that country. So, that way, several countries are involved. Therefore, this is very important and this should be sorted out, discussed threadbare, even in international conferences held and attended by different countries. They should deliberate as to how they can cooperate with each other because some States some countries may derive pleasure out of the pitiable situation prevailing in certain countries with whom they are not seeing eye to eye today, but nobody knows what is going to happen tomorrow in their own country. In fact, even in several advanced countries, developed countries, there is this menace of terrorism and economic offences. All

these things are there. Therefore, it should be discussed in international conferences. About the agreement also, I would like to know what steps we have been taking to reach agreements and with which countries. Otherwise it is just like putting the cart before the horse.

I am sure, the Government's intention is very clear, the purpose is laudable, and it is a right step in the right direction. With these words, I support the Bill and I would like to get this information from the hon. Minister while he replies to the debate.

SHRI P. CHIDAMBARAM : Madam, I am grateful to the hon. Members for extending their unanimous support to this Bill. I am also grateful for the views and comments expressed by the hon. Members. It is hardly necessary for me to refer to sections 290 and 285 of the Criminal Procedure Code. Both these sections occur in Chapter-XXIII which deals with evidence in enquiries and trials. Section 290 enables the issue of a commission and it contemplates a court situate in an area in India, outside the territories to which this court extends, as well as a court outside India. Similarly, Section 285 contemplates three situations where the witness is in a place within the area to which the Code extends. Secondly, a witness who resides in an area in India but outside the territories to which the Code extends and thirdly, a witness who resides outside India. These provisions are already there in Sections 285 and 290. What we are trying to do is to bring Section 105 in line with Sections 285 and 290 and enable us to reach a witness or reach evidence which may be outside India, while at the same time obligating ourselves to help another country secure a witness or evidence in India on a reciprocal basis. Therefore, that should answer Mr. Thomas's objection. The Code does extend to certain territories in India. But there are already provisions under the Code by which specific powers can be exercised in areas in India, outside the territories to which the Code extends, as well as areas outside India. There is nothing unusual about these features.

Madam, I am grateful to Mr. Ayyappu Reddy who answered the other question of Mr. Thomas that Sections 80 and 81 are available to any witness in India who is sought by a foreign court. Madam, all other questions can be answered together. At the moment, we are negotiating an agreement with Switzerland. Negotiations are at a fairly advance stage. This is an enabling provision. In fact, if I may use an example, this is like the bow. But we will have to fit an arrow to it. The arrow will be the draft, the agreements between the contracting States. But we cannot fit an arrow until we have the bow. Therefore, we are now enabling ourselves to enter into agreements with other countries. On the 16th of May, a Conference is being held in Australia to finalise a draft treaty for mutual assistance in criminal matters among all the Commonwealth countries. Therefore, there is some urgency in passing this law so that we can tell the Conference we have the law in our country and we are willing to participate in the Draft Treaty binding of the Commonwealth countries for mutual assistance subject to certain conditions which I will presently state. The first condition is that the contracting State must have a criminal justice system similar to us. Obviously we will not enter into a contract with another State which does not recognise even the elementary rights of offenders. So, it must have a comparable judicial system with civilised rules of jurisprudence.

SHRI THAMPAN THOMAS : In Switzerland, there is no 'habeas Corpus' as we have in India. You say that you are going to have some discussion. Then how will it react ?

SHRI P. CHIDAMBARAM : Madam, I am not aware of this position that Switzerland does not have 'habeas corpus' system. To the best of my information, Switzerland has a system by which the Courts of that country can release persons who are arrested or detained. Now, whether you call it 'habeas corpus' or you call it by any other name, I think there is a very civilised criminal justice system in Switzerland by which anyone who is accused of offence in Switzerland can be released.

**SHRI THAMPAN THOMAS :** Writ of 'habeas corpus' is not there.

**SHRI P. CHIDAMBARAM :** Well, I do not know whether in those terms it is there or not but the right of the citizens to the liberty and to due process of law is there. If the right of the citizens to liberty is recognised and there is a due process of law which is compatible or comparable with our concept of liberty and due process of law, I think that can be described as a comparable criminal justice system. For example, I can think of countries which may not have every detail comparable to the Indian law. But certainly with England, the USA or countries which have comparable civilised rules of criminal justice, surely we can enter into agreement with these countries.

15.00 hrs.

So, the first condition is that the country must have a criminal justice system which recognises all the good and civilized rules of criminal justice and which is comparable to our own system. The second principle is double criminality. We will not expose any Indian citizen to the rigours of this law unless the conduct of that citizen will be an offence under Indian law and will be an offence under the law of the contracting State. In fact, the principle of double criminality is well accepted principle in international law. There is no sovereign State which will enter into a treaty unless the principle of double criminality is ensured. The third principle is reciprocity. We will not obligate ourselves to do anything unless the contracting State also obligates itself to do the same thing. I think with these three principles all safeguards can be taken care of. I think all the questions which have been asked are answered by my statement on these three principles.

Mr. Shantaram Naik made some references to difficulties of serving summons and no proper place for seized articles. As practising lawyers we know the difficulties. That is because of the workload on our courts, but I am sure these are matters which can be attended to and I shall expect the states to cooperate in taking care of these problems.

As far as the treaty is concerned, I am sure that when an Indian prosecutor seeks a summons from an Indian court in respect of a witness in a contracting State, he will have to produce the treaty before the Court and only if the court is satisfied that the treaty covers the crime or the offence will it issue a summons to the witness who is in another contracting State. So the treaty will indeed be made available to the court. Without the treaty there is no question of invoking the provisions of Section 105 or any similar provision.

Madam, I think that answers all the questions raised so far.

**SHRI ATAUR RAHMAN (Barpeta) :** In a case of bail if somebody wants to evade bail, what will happen? Or, if he is arrested, will he be produced under normal law within 24 hours before the Magistrate?

**SHRI P. CHIDAMBARAM :** The answer to that question is in Section 105, sub-section (2), clause (i). Sections 80 and Section 81 will apply to a case dealt with under Section 105. They provide for bail to be granted by the Police through the Superintendent of police or the Magistrate in the case of a bailable offence. The next clause provides for grant of bail in a non-bailable offence by the Sessions Court or a superior court. So, Sections 80 and 81 are already provided in Section 105.

**SHRI E. AYYAPU REDDY :** Sections 80 and 81 must be provided in the contract itself, in the agreement itself.

**SHRI P. CHIDAMBARAM :** Since we have Sections 80 and 81 we will not enter into a contract with a State unless that State has provisions similar to Sections 80 and 81. Obviously we won't do that.

**SHRI E. AYYAPU REDDY :** Sometimes they may not have it, but there is nothing wrong in having it in the agreement itself. In the Islamic countries they may not have it.

SHRI P. CHIDAMBARAM : These are details which have to be worked out in the agreement, but the three principles which I stated will be followed. We are not going to enter into a contract with a State which does not even have a reasonable bail provision.

I can answer your question in another way. We are anxious to get the witness. That witness is in another country. We are anxious to get him to this country. Now, he is arrested in that country and produced here. Well, as a votary of liberty, I would like that witness to have a provision by which he can get bail and I will try to see as far as possible that that State has a system by which it will grant bail under certain conditions, but I cannot expect every detail of that law to correspond to every detail of our law in which event you will never have another system comparable to our system. But if the broad principles of a good criminal justice system are there in that State, then certainly we will enter into a contract. But if that State has no regard for any kind of justice, we will not enter into a contract with that State.

I think these three principles should answer all the doubts in hon. Members' minds. I request the hon. Members to pass the Bill unanimously.

SHRI E. AYYAPU REDDY : I want one clarification only. There is no provision now for trial for foreigners also if they are connected with an offence in India.

SHRI P. CHIDAMBARAM : Any person who commits any crime in India can be tried in India.

SHRI E. AYYAPU REDDY : If he is here.

SHRI P. CHIDAMBARAM : Yes, if he is here only.

SHRI E. AYYAPU REDDY : If he is here and if he is arrested, then it is all right. But if he is not in India, if he is an accused....

SHRI P. CHIDAMBARAM : If he is an accused and not in India, there must be a Treaty of Extradition with that country.

MR. CHAIRMAN : The question is :

"That the Bill further to amend the Code of Criminal Procedure, 1973, as passed by Rajya Sabha, be taken into consideration."

*The motion was adopted.*

MR. CHAIRMAN : Now we take up clause-by-clause consideration. The question is :

"That clause 2 stand part of the Bill."

*The motion was adopted.*

*Clause 2 was added to the Bill.*

MR. CHAIRMAN : The question is :

"That clause 1, Enacting Formula and the Long Title Stand part of the Bill."

*The motion was adopted.*

*Clause 1, Enacting Formula and the Long Title were added to the Bill.*

MR. CHAIRMAN : The Minister may move that the Bill be passed.

SHRI P. CHIDAMBARAM : I beg to move :

"That the Bill be passed."

MR. CHAIRMAN : The question is :

"That the Bill be passed."

*The motion was adopted.*

15 06 hrs.

NATIONAL WATERWAY (SADIYA-DHUBRI STRETCH OF THE BRAHMA-PUTRA RIVER) BILL

[English]

MR. CHAIRMAN : We will go to the next item, Consideration of the motion

[Mr. Chairman]

regarding National Waterway (Sadiya-Dhubri Stretch of the Brahmaputra River) Bill.

Shri Rajesh Pilot.

**THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI RAJESH PILOT) :** Mr. Chairman, with your permission, I would like to say a few words while moving the National Waterway (Sadiya-Dhubri stretch of the Brahmaputra River) Bill, 1988 for consideration and passing of the same. From time immemorial Inland water transport has served as a cheap and economic means of transport in India. With the advent of faster means of transport by rail, road and air, inland water transport has got neglected.

Inland water transport has, however, maintained its edge over the other modes of transport in certain areas, where it enjoys natural advantages.

Today it is recognised all over the world for its inherent advantages of being the cheapest mode of transport for bulk haulage over long distance between places situated along the waterfront. Its energy, efficiency, low pollution and potential for employment generation is universally accepted.

Since independence, the Government has been seized of the need for developing inland water transport infrastructure and restore its rightful place in the overall transport system of the country.

The subject Inland Water Transport finds place in all the three lists of the 7th Schedule to the Constitution of India. The role of the Union is, however, limited to regulating shipping and navigation on National Waterways declared as such, by Parliament. The responsibility and executive authority for development and maintenance of all waterways other than those declared as National Waterways rests with the State Governments.

Keeping in view the slow pace of the development of inland water transport in

our country, several committees constituted by the Government of India have recommended declaration of certain important waterways as National Waterways. A beginning in this regard has already been made by declaring the Allahabad-Haldia stretch of the Ganga-Bhagirathi Hooghly river system as National Waterway. The Government has constituted Inland Waterways Authority of India for the development, maintenance and regulation of National Waterways for shipping and navigation. Presently, the Inland Waterways Authority of India is executing three schemes at a total cost of Rs. 24.00 crores for development of the Allahabad-Haldia National Waterway.

Before a waterway can be considered for being declared as a National Waterway, it is essential to undertake various traffic studies and hydrographic surveys of such waterways to assess the extent of improvemental works required for their development and their financial implications. Such studies in respect of Godavari, the West Coast Canal (Quilon-Cochin Section), the Krishna and Sunderbans have already been initiated. The hydrographic surveys and techno-economic study in respect of Sadiya-Dhubri stretch of Brahmaputra have been carried out. On the basis of studies and the potential of improvements in inland water transportation of this stretch, it is now being proposed to declare the Sadiya-Dhubri stretch of Brahmaputra river also as a National Waterway.

It will be observed that the Bill is purely a non-controversial measure, which, I hope will be accepted by the House.

I beg to move :

“That the Bill to provide for the declaration of the Sadiya-Dhubri Stretch of the Brahmaputra river to be a national waterway and also to provide for the regulation and development of the said stretch of that river for purposes of shipping and navigation on the said waterway and for matters connected therewith or incidental thereto, be taken into consideration.”

MR. CHAIRMAN : Motion moved :

"That the Bill to provide for the declaration of the Sadiya-Dhubri Stretch of the Brahmaputra river to be a national waterway and also to provide for the regulation and development of the said stretch of that river for purposes of shipping and navigation on the said waterway and for matters connected therewith or incidental thereto, be taken into consideration."

SHRI AMAR ROYPRADHAN (Cooch Behar) : I welcome this Bill. But, at the same time, I would like to say that the inland water transport is the 'cheapest one in comparison to rail, road or air transport. So water transport should be developed and all the rivers should be connected. Brahmaputra should be connected with the Ganges, and Ganges should be connected with Krishna and Cauveri so that the entire country would be connected through water transport. Water transport should be developed in a cheaper manner.

Sadiya-Dhubri has been kept in the national water transport grid. After Dhubri, it is Bangladesh. So, just to avoid Bangladesh, it should have link in between Brahmaputra and Ganges. A survey was made to save the Calcutta port. In the first Five Year Plan, a survey was made and the estimated expenditure was about Rs. 500 crores. It is from Dhubri to Cooch Behar, then Jalpaiguri, then West Dinaspur, then to Malda and then to Farakka and then to Calcutta port. If you go through the record, you will find that the survey was made and I suppose records are in the record room or as may be in the archaeology, I do not know. I do not know for what reasons the proposal was dropped. Now many voices are raised in the country that at least 40,000 cusecs of water in the lean months is a must at Farakka Point to save Calcutta Port. But at present we are getting only 16,000 cusecs which is not at all sufficient. But ultimately Calcutta would be dry. But only Brahmaputra canal up to Ganges can save Calcutta port. My request to you is that

you must give a second thought to have a canal from Brahmaputra to Ganges and from Farakka to Calcutta port. I think we should not leave the proposal altogether. It is proper that we should develop this canal. Better late than never.

15.13 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

SHRI A. CHARLES (Trivandrum) : I support the National Waterway, (Sadiya-Dhubri Stretch of the Brahmaputra river) Bill, 1988 which has been brought forward to declare the Sadiya-Dhubri of the Brahmaputra river, as a national waterway.

It is a matter of great sorrow that during the last 40 years of independence, this very important sector of our transport and communication has been almost neglected. The main reason for such a neglect is that it has been left to the care of the State and unfortunately, in view of the resources constraint, it had not gained the priority it deserved.

I am happy that the Bill has now been brought forward and I am particularly happy that during the last three years, a lot of work has been done for the development of inland waterways.

I must congratulate the hon. Minister for the very dynamic leadership he has given during the last three years. In 1985 the Inland Waterway Authority Bill was passed and thereafter, the hon. Minister, the Ministry, the Authority and the staff of the Ministry and the Authority worked as a team round the clock and a lot of good work has been done and it is as a result of that work that it has been possible now to bring forward this Bill. This Bill is meant for declaring, atleast, as a first step, one of the most important sectors of the river as a National Waterway. If I understand correctly, a few other Waterways are being looked into and the hon. Minister has said that the hydrographic survey and the techno-economic studies are being conducted in respect of a few other Waterways also. The need for development of Inland

[Shri A. Charles]

Waterways cannot be over-emphasised. In the Statement of Objects and Reasons it has been rightly said that it is one of the lowcost transport systems with energy efficiency and giving employment opportunities to a large sections of the weaker sections of the community and it will result in less of pollution. These are some of the most important advantages of Inland Waterways. There is another salient feature. It attracts the tourists all over the world. In this connection, Mr. Deputy-Speaker, Sir, through you, I would like to bring to the notice of the hon. Minister the need for developing and declaring the West Coast Canal, which has been mentioned by the hon. Minister, as a National Waterway. 20 per cent of the Inland Waterway Systems of this country is in Kerala alone. Therefore, I would plead that Kerala should be given the due share and priority. It has already been said that even after 40 years of Independence, this section has been neglected. I remember correctly, during my younger days, I myself travelled about 162 Kms. from Trivandrum to Cochin by the country boats. But, unfortunately this has been neglected. So, my personal request to the hon. Minister is to declare the entire West Coast Canal as National Waterway and then start the work from Cochin to Trivandrum. Hydrographic survey has already been over.

Sir, I have got one more point to mention. You will be very glad to know that Kovalam is roughly 13 Kms. away from Trivandrum Airport. There is a proposal for a package scheme. From Trivandrum to Kovalam if this 13 Kms. work is taken up immediately, all of us can land in the Airport in Trivandrum, then we can travel by the Inland Waterways to the Beach Resort. This will be a thrill to all. It will attract the international tourists also. Therefore, I plead with the hon. Minister that the West Coast Canal should be declared as a National Waterway and Trivandrum-Kovalam section should be given due priority. I would plead with the hon. Minister to throw some light on this. I give my whole-hearted support to this Bill. I am happy that the present hon. Minister is

doing his work with full dynamism. He has given the lead. He is in full command of the things. I am sure he will lead this Ministry to greater glory.

**SHRI SATYAGOPAL MISRA**  
(Tamluk) : Sir, I welcome this Bill and whole-heartedly support The National Waterway (Sadia Dhubri Stretch of the Brahmaputra River) Bill, 1988. I whole-heartedly support this Bill because the water transport system is the cheapest mode of transportation. A very low amount is necessary for making the necessary infrastructure and at the same time a very low amount is also necessary for the maintenance of the infrastructure. For that reason, in a country like ours, we must put our full strength for the development of Inland Waterways. Now, it has become all the more necessary to save fuel consumption. Fuel consumption can be saved by the development of Inland Waterways infrastructure. There is a very strong transport lobby which has been pressurising the highest level of the Government not to go in for inland waterways. This is not my observation. The Estimates Committee of this august House has said so many times that the transport lobby pay lakhs of ruppees to the highest level of the Government so that the inland waterways are not developed. This is the finding of the Estimates Committee, not mine. Please try to see this.

The national inland waterways was for the first time introduced in the year 1982 in our country. Now we are in 1988. Six years have gone just to declare another stretch of river as the inland waterway. A very small amount has been spent in the Haldia-Allahabad stretch for developing the infrastructure. I would request the Hon. Minister to see that more rivers are included in the national inland waterways and money spent for making necessary infrastructure.

In the Financial Memorandum the Hon. Minister has said that the first phase will be of the order of Rs. 29.50 crores. What about the second phase ? is there any third phase also ? What is the cost of the total project ? We must know it.

Lastly I once again appeal to the Minister to have a new thinking so that we can declare more and more rivers as national inland waterways and develop the necessary infrastructure which is the cheapest mode of transportation.

**SHRI BIPIN PAL DAS** (Tezpur) : I welcome this Bill. I know that only a dynamic minister like Mr. Rajesh Pilot would come forward with this Bill. I am happy that the Brahmaputra river is going to be declared as a national waterway and we shall go a long way in developing the inland transport.

I have only two points to make. Firstly, as far as I know, navigation and shipping will not be easy in the river unless dredging operations are undertaken at several points in the river particularly from Tezpur to Dibrugarh. That area is not fit for free navigation and shipping unless dredging operations are undertaken at several points.

I would like to know from the Minister whether in the estimates he has made regarding costs particularly non-recurring costs, this particular point has been taken note of while planning for spending money for making this river navigable and fit for shipping.

Secondly, he has mentioned in the Financial Memorandum that seven ports will be developed. Out of these seven ports particularly the Neamati Port is vulnerable to erosion. Even Dibrugarh Port is not safe from erosion. Erosion is a major problem in this river. Even in Tezpur which was free from erosion for quite some time, in the last three years current is attacking it. Therefore, in order to develop these ports and their infrastructure, you will have to take care of the erosion problem. There you have to spend money.

**SHRI ATAUR RAHMAN** : The Brahmaputra Board is there.

**SHRI BIPIN PAL DAS** : Don't bring in that. I am asking the real Minister here.

I hope that the Minister while preparing this Bill and undertaking the responsibility of developing this river as a shipping river and navigable river will have taken into consideration all these aspects and made sufficient provisions and allocations for taking steps to solve the erosion and also dredging problems.

I hope he will clarify this.

**SHRI V.S. KRISHNA IYER** (Bangalore South) : Mr. Deputy Speaker, Sir, I welcome this Bill. The Minister promised in this House that a comprehensive list of all those waterways will be brought and placed before the House. I would like to know from the hon. Minister whether the Government of India has it identified which are the waterways which could be utilised in our country and which could certainly become fit for navigation. The present Bill refers only to one stretch on Brahmaputra river. There are so many rivers. This work cannot be undertaken by the States. There are inter-State rivers and water disputes also. So the Minister may see that a list is prepared of all the rivers.

So far as Madras is concerned there was talk of providing water transport for the Madras city from the Coom river but due to lack of funds it could not be taken up. It is worth trying. It will save lot of funds which we are spending on metro railway.

**SHRIMATI BASAVARAJESWARI** (Bellary) : I welcome this Bill for the reasons stated by the hon. Minister, namely, cost of transport, energy efficiency, generation of employment and less of pollution. For these reasons I support this Bill. As you are aware we are constructing huge dams to irrigate the lands. Apart from irrigating the lands we will be having more facilities like producing of energy from the small drops and also some of the main canals can be used for navigation purposes. So I would request the hon. Minister to have a technical survey of the main canals. Tungbhadra dam is a huge project in Karnataka. There is a main canal running from Hospet to Andhra Pradesh. Navigation facility has

[Shrimati Basavarajeswari]

already been provided in this canal at the time of construction. So I would like the hon. Minister to make a survey of these canals.

As you are aware in Karnataka roads are in a bad shape. That being the case if you give such facility of inland waterways transport it would be not only easy but also cheaper for the grains to be transported within the State and outside. So please get it surveyed by the technical experts and try to implement the navigation scheme in all the main canals wherever such facilities are existing. With these words I thank the Chair once again.

**SHRI RAJESH PILOT :** Mr. Deputy Speaker, Sir, I am highly thankful to the suggestions of the hon. Members on inland water transport system. I totally share the feelings of the hon. Members. This is one sector which was required to be improved very badly. I can assure the House that Government intentions could be seen that in the First Five Year Plan we made an allocation of Rs. 33 lakhs whereas today in the Seventh Five Year Plan we have allocated Rs. 155 crores. So it is clear that Government is keen to develop this sector. One hon. Member that said there are some lobbies working. Let me assure the House that any amount of lobby be there, we shall do what is good for the country and we shall not be hurdled by any lobby in this country.

One hon. Member wanted to know the list of the waterways which we have selected for declaration as national waterways. At the moment, we have identified ten waterways, namely :

1. Ganga-Bhagirathi-Hooghly ;
2. Brahmaputra ;
3. Sunderbans ;
4. West Coast Canal (Cochin-Quillon Section) ;
5. Krishna ;
6. Godavari ;

7. Narmada ;
8. Tapi ;
9. Mahanadi ;
10. Mandovi and Zuari Rivers' and Cumbarjiua Canal (in Goa).

We plan to take up :

1. Brahmaputra ;
2. Sunderbans ;
3. West Coast Canal (Cochin-Quilon Section) in Kerala ;
4. Krishna ;
5. Godavari.

in the Seventh Plan itself, Allahabad-Haldia stretch of Ganga-Bhagirathi-Hooghly has already been declared as national waterway.

**SHRI V.S. KRISHNA IYER :** For every national waterway, are you bringing a legislation like this ?

**SHRI RAJESH PILOT :** This is also a decision of the Government that after passing this as national waterways, in future, we can declare waterways by Government notification.

An hon. Member from Assam wanted to know about some problems locally, like erosion at places called Neamati, Dibrugarh and Silghat. It is a fact that we have taken this case. That's is why in our allocation of the funds, we have got roughly Rs. 980 lakhs, that is, round-about Rs. 10 crores, to avoid erosion, and other things and dredging also. We will make sure that this system works out.

May I inform the House that when a survey was conducted in 1951, the cargo by road was 11 per cent and 89 per cent by railways or by other means ? The road sector was increasing. That's why we have developed inland water so that we can take off the load from the road to the inland water. Our authority is working on the similar lines.

Hon. Members from Kerala wanted to know about the hydrographic survey of the West Coast Canal. It has been completed. It has come to the authority. The moment other formalities are completed, we will also take that coastal canal in the national waterways. I think it is up to Quillon.

SHRI A. CHARLES : What about the Trivandrum-Kovalam package scheme ?

SHRI RAJESH PILOT : The hon. Member has given another suggestion about the 13 km. stretch from Trivandrum airport to Kovalam. I will certainly get it checked up. In case it can be developed and if it can help the passengers or commuters going by air and they can go by water, we will certainly take this suggestion and help it out.

At the end, I am very thankful to the hon. Members for their cooperation. We brought the Bill at the last stage. There was a very short time. With these words I move that this Bill be considered.

MR. DEPUTY SPEAKER : The question is :

“That the Bill to provide for the declaration of the Sadiya-Dhubri Stretch of the Brahmaputra river to be a national waterway and also to provide for the regulation and development of the said stretch of that river for purposes of shipping and navigation on the said waterway and for matters connected therewith or incidental thereto, be taken into consideration.”

*The motion was adopted.*

MR. DEPUTY SPEAKER : The House will now take up clause-by clause consideration of the Bill. The question is :

“That Clauses 2 and 3 and the Schedule stand part of the Bill.”

*The motion was adopted.*

*Clauses 2 and 3 and the Schedule were added to the Bill.*

MR. DEPUTY SPEAKER : The question is, “That clause 1, the Enacting Formula and the Long Title stand part of the Bill”

*The motion was adopted.*

*Clause 1, the Enacting formula and the Long Title were added to the Bill.*

SHRI RAJESH PILOT : I beg to move :

“That the Bill be passed”

MR. DEPUTY SPEAKER : The question is :

“That the Bill be passed”

*The motion was adopted.*

MR. DEPUTY SPEAKER : Now we go to the Private Members' Business. Shrimati Usha Rani Tomar.

15.35 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS—(Contd.)

[Translation]

Fifty-third Report

SHRIMATI USHA RANI TOMAR (Aligarh) : Sir, I beg to move :

“That this House do agree with the Fifty-third Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 11th May, 1988”.

[English]

MR. DEPUTY SPEAKER : The question is :

“That this House do agree with the Fifty-third Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 11th May, 1988.”

*The motion was adopted.*

15.36 hrs.

**RESOLUTION RE : CENTRE-STATE  
RELATIONS—(Contd.)**[*English*]

**MR. DEPUTY SPEAKER :** Now the House will take up further discussion on the following Resolution moved by Shri H.M. Patel on the 18th March, 1988 :—

“This House expresses its deep concern over the present Centre-State relations and demands their early restructuring so that federalism underlying our Constitution is made more meaningful.”

Now, Kumari Mamata Banerjee.

[*Translation*]

**KUMARI MAMATA BANERJEE** (Jadavpur) : I do not support the resolution moved by Shri Patel, and I would like to participate in the discussion on this Resolution. It is a very important resolution. India has got the federal democratic system of Government. Wherein the Central and the State Governments are elected by the people and after getting elected, both of them work for the welfare of the entire country in their respective jurisdictions. A strong Centre is as necessary as a strong State Government. We are to see as to how we can control this regionalism and parochialism. This should be given due importance. The saying “Sara Jhan se Achaha Hindustan Hamara (India is above all the nations of this world)” should be a reality. In this country all the people, be they Hindus, Sikhs, Muslims or Christians live and will continue to live in harmony. So, a strong Central Government is needed to have a better control over the affairs of the nation. Some State Governments have a feeling that the Central Government is meeting out step-motherly-treatment to them. At times the opposition parties also try to create such an atmosphere as to make them feel that the Central Government is behaving in a step motherly fashion and exploiting the States and depriving them of their dues. But I want to say that it is not so. The Centre tries its level best for the economic development of the States, because the country can prosper only with the development

of the States. But, the economic development should not be viewed from a political angle. It is the bounden duty, of the Central Government to help the State Governments in the development of their States. There is G.N.L.F. agitation in my State. I would like to congratulate the Centre and the State Government for their joint efforts to find out a solution of this problem. I would urge upon the hon. Minister of Home Affairs to solve this problem at the earliest otherwise this problem may assume serious dimensions. As regards the plan allocations the Centre allocates funds according to the plan submitted by the State Government. At the stage of the drafting of plan by the Planning Commission, the Central Government should keep in view the various important programmes and projects of the State Governments, otherwise sometimes it may become a burning issue. So the Central Government should concentrate on the plans of the State Governments. In case of natural calamities also the Central Government is bound to render assistance to the States. In the event of floods or drought or some storm in the States, the Centre provides monetary assistance to them. As there is drought.. but this time, our Government has extended the maximum help to face the present crisis created by the drought. It has fulfilled its promise that it won't allow any person to die due to starvation or drought. Our State Government and the Central Government should be congratulated for their excellent performance during this drought.

Mr. Deputy Speaker, Sir, now I would like draw your attention to the law and order situation though it is absolutely State subject and the Central Government cannot do anything in this regard. When the State Government requires the assistance of B.S.F., C.R.P.F. or any other force, then it asks the Centre to help and only on that basis, the Central Government provides help of the State Government. Otherwise, this subject is totally a concern of the State and the Central Government has nothing to do in this regard. But some opposition parties have been propagating the idea that the State Governments should have more powers

and the Central Government should not concentrate powers with them and the Centre should also think to give more powers to the State Governments instead of assuming more and more powers for themselves. In such a situation, the State Government should due importance to the Centre and also not do anything against the Central Government. On the 15th of March, our opposition leaders organised a Bharat Bandh to oust Shri Rajiv Gandhi and thus save India. But this bandh did not make significant impact in the country and particularly in the States, its effect was not visible. This is indicative of the destructive attitude of the State Governments and the opposition. This does not tell of their constructive attitude. These people give a call for Bharat Bandh and to oust Shri Rajiv Gandhi. But you know that like all of us, Shri Rajiv Gandhi also has been duly elected by the people and voted to power with the mandate of the people. You ask for the mid-term polls and want Shri Rajiv Gandhi to quit. All the time you have no work except Bofors. In everything, you see Bofors. I don't like the attitude of the opposition. If a developmental work is undertaken by the Government the opposition should not criticise the Government on that point. There should be no criticism for criticism sake but for a genuine cause. At least in the matters of development, the opposition should not have a different opinion. But you have only one slogan of ousting Shri Rajiv Gandhi and saving the country thereby. You want the removal of the Central Government to save the country. If the Central Government also starts harping on the same tune and insisting upon the removal of the State Government, then how will you face it? If this infighting between the State Governments and the Central Government goes on, who will be the ultimate sufferer. Only the country will suffer.

Mr. Deputy Speaker, Sir, one day there was a small news item in some paper that an astrologer has told Shri Jyoti Basu that one day he would be the Prime Minister be it for one minute only. So he is in the line and waiting to become the Prime Minister. In a State, a Minister for Home Affairs had to quit his post, because

he was found involved in a murder case. I don't want to name him here. In this country, there are such Ministers at the Centre and in the States. One such Minister who was incharge of public security and the country's defence was also found involved in a murder case. I would like to congratulate Prof. Madhu Dandavate because that Minister of Home Affairs has now resigned. A Chief Minister of a State, whose name I don't want to mention here, one day says that he will resign but the very next day, he says that he won't quit. I don't know what he meant thereby, but he says that an astrologer has told him that he would be a Prime Minister for a period of two days. Before Jyoti Basu, I am in the queue, so how he is going to become the Prime Minister? On the other side, Shri Rama Rao is also saying that God has blessed him in the dream that one day he will be the Prime Minister. So he is also in the line of the Prime Minister. It appears that there is not a single unanimous leader in the opposition. Every one of them wants to become nothing less than a Prime Minister. So these people talk of such things all the time. Alright, you may throw Shri Gandhi out of power, but before that, elect an unanimous leader from amongst yourselves. Who can hold the reigns of the country. You must know that like all of us here, Shri Rajiv Gandhi also has been elected by the people. He has the mandate of the public.

A few days before her death, Shrimati Indira Gandhi had said that she had a threat to her life from the terrorists and they might make an attempt on her life, but then the opposition parties had said that it was nothing but merely an election stunt. They said these words to make her unpopular. But after her death, these opposition parties said that she was the towering personality of our nation. Before her death, they always made such statements against her. Once Shrimati Indira Gandhi asked to eradicate poverty, but these people misinterpreted her by saying that she had asked to eradicate the poor. They mislead the people of this country in the past and are doing the same thing at present. Even now, they are conspiring on the same lines, but we don't bother

[Kumari Mamta Banerjee]

about it. We do as we say, but the opposition talks much works less.

The opposition asks for the abolition of the post of Governor. So, today you abolish this post, tomorrow you may do away with the post of the Prime Minister, then, it will be a turn of the President and M.Ps. also. Thus there will be no political man in the picture. When there will be no M.P. in the politics, then there will be no Prime Minister also. When the Governor reads a Budget speech prepared by the Government of the opposition ruled State and criticises the Central Government, the Governor becomes good. He has to read out all those things which the Central Government have never said. But when he speaks against the opposition, he becomes bad. These are your double standards. In fact, the Governor is a coordinator between the Central Government and the State Government and also between the administration and the legislature. The Governor also coordinates the judiciary. Our country should have a regard for the institution of the President and that of the Governor.

The report of the Sarkaria Commission has been received, but the report of the State Government has not yet come. After the report is received, there should be discussion on the same in the House. I would also like to stress that all those important points of the Sarkaria Commission report which are in the interest of our country, should be discussed.

The tax being collected in our country is not being distributed among the States equitably. Why is it so? There are many small states in our eastern region viz. Bihar, Orissa, Nagaland, West Bengal and Tripura. It causes a lot of difficulty in setting up of industries and starting a business there since the equalisation policy is not uniform in all the States. There is discrimination in it and it should not have been so. The States in the eastern region cannot develop for want of a fair equalisation policy. It is also the policy of our country to pay attention towards the neglected states. Tripura,

Mizoram, Nagaland, Arunachal Pradesh are such States which get more Central allocations whereas they do not contribute a big amount to Central revenue. They cannot do without the Central assistance. There are a number of States where the tax collection is much more. Such States do get more Central allocation. But the small States cannot do without central assistance. Everyone should have a feeling that the Central Government is like a mother and the State Governments are like children. It is the duty of the mother to look after every child. But she should pay more attention to the physically handicapped states, i.e. the opposition ruled states. As has been said, they need more attention. The Central Government should give funds to the States for their work but it should also ensure that the monitoring policy is working properly. The States are allocated funds for executing 20 point programme and to meet the expenditure from their development funds. Does the Central Government has any monitoring agency to see that the funds given to the States have been properly utilised. The States which have done commendable work in regard to the implementation of the 20-point programme and for the amelioration of the poor should be properly rewarded. At the same time, further grant of assistance should be stopped to those States which have failed in this regard. The Central Government should hold an enquiry and find out the reasons as to why they cannot furnish the account of the central assistance given to them. Shri Morarji Desai during his tenure as Prime Minister allocated huge sums of money to the Government of West Bengal to meet the challenges of floods. Later he stopped allocating further funds as the State Government did not give any account of the same. Why did he do so? He said that he had an ideology that only those States which furnish the account of their expenditure, would be given further assistance. He warned them that they would be given no further payment if they did not furnish the accounts. Same is the policy of the Central Government. It is not the question of the Central Government or any State Government, but it is country's money which nobody should be allowed to waste. We shall look into

these aspects with a view to save the country, develop the country. Agriculture, Forestry, Education, Water Resources, Irrigation which come under the State list, should be brought over to the concurrent list. The Central Government has formulated the New Education Policy. Does the Government have any idea as to which States are following this policy. As regards my own State, it is not following the new education policy. The Government envisaged a scheme to open model schools in the country, but not a single model school has been opened in West Bengal. Why does not the Government direct the State Government to do the needful? The Government should look to it that nobody is deprived of such opportunities. It is not a political business. There are several State Governments which claim that they do more work. If it is so, I would like to know as to why the border dispute between Maharashtra and Andhra Pradesh is not finding a solution? Why does such a dispute continue between Tamilnadu and Kerala? If the State Governments cannot solve the issue by themselves, it is the duty of the Central Government to see that the things are co-ordinated and how a solution can be found. I therefore, urge upon the Central Government to discuss the matter with the State Governments and create an understanding to the effect that neither the Centre nor the state becomes weak. It is not a good thing for the country as a whole if the Central Government wants that the State Government should go weak and the State Governments also want the Centre to go weak. Therefore, the Centre as well as the States need to be strong. Since Centre is the mother, it needs to be more strong. I urge upon the Government that it should not create such feelings among the States which may pose a threat for the country. For example, a few days back Shri Devi Lal, the Chief Minister of Haryana had gone to Uttar Pradesh for holding a meeting. There he brought with him some police force from Haryana. He did not take the permission of the U.P. Government for this. Why does this thing happen? For this reason, the Central Government should specify the duties and responsibilities of the

States. There are Chief Ministers who do not have any idea as to what are their duties, limitations and obligations.

I would like to request the Government to pay attention towards it. The Government of West Bengal has requested the Central Government to provide the second T.V. Channel for their State. If their demand is fulfilled, they will telecast the achievements of their own Government on that Channel. But you may please ask the members of the CP(M) here, I do not want to name them, what did they do on the Bandh day i.e. on 14th March. These people caused heavy damage to the T.V. centres at Calcutta and Trivandrum. How does the Central Government come in the picture? They did it in a well planned manner. They caused heavy damage to the Coal India Limited also. That is the care they have taken of the Central property in their States. They have a tendency to exploit the Central property to their advantage. Shri Saifuddin, I would like to make it clear that we also belong to a State. We will not allow anybody, whether he is Jyoti Basu or the Prime Minister, to assert their monopoly over the State. It is the country which is supreme which will be allowed to work. I, therefore, request all and sundry not to indulge in mere politics and strengthen the Centre in the interest of the country. Let the country be strong and let the States to be strong.

[English]

**SHRI SURESH KURUP (Kottayam) :** Mr. Deputy Speaker, Sir, it is good that a veteran Member of this House Shri H.M. Patel has brought this Private Members Resolution. You know the content of this Resolution is the subject matter of discussion, by people belonging to various walks of life and also among the national political parties. The timing of this discussion is all the more important because the Sarkaria Commission which went into the details of the Centre-State relations has just submitted its Report to the Government. It is under the consideration of the Government. We have not got time to have a detailed discussion on that Report. I hope, at least during the

[Shri Suresh Kurup]

next Session that Report will be discussed in detail in this House.

Ours is a Federal country. Our country consists of a very large number of people who talk different languages, belonging to different religions and all that. So, it is very important that the constituting States in this Federal polity should have greater powers than at present. If you go into the details of the Constitution and also the actual functioning of Centre-State relations you can see that it is based on the 1935 Act which was imposed on our country by the imperial rulers. At that time itself, the Indian National Congress and its Leaders vehemently opposed the various provisions of the Act. It had actually rejected the part containing the Federal set up and the Provincial set up. When the Congress won the elections, it participated in the activities of various States only after getting specific assurance from the imperial rulers that the special powers included in the Act will not be used against the Congress Ministries.

Then after independence, when we framed our Constitution, it is a sad thing that we actually based the Centre-State relations on the 1935 Act. You can see that this imperial legacy is being followed all through these forty years.

My point is that, if you want to preserve the unity and integrity of this country, you should give more and more autonomy to the States. Unfortunately, the ruling party at the Centre and the Leaders of the ruling party are of the opinion that the Union Government should concentrate more and more powers into its hands. That is what we see over the years. Immediately after independence when the ruling party at the Centre and the ruling parties in the States were the same, there were practically no tensions regarding the Centre-State relations. Taking advantage of this and using the authority of the Central leadership, the Central Government concentrated more and more powers in its hands. Now the situation has changed.

16.00 hrs.

Many States are being ruled by the Opposition parties—some by regional parties, and some by national Opposition parties; and the demands have come from all the quarters. If you look through the questionnaires submitted by various State Governments including Congress Governments in the States to the Sarkaria Commission, and also to the various Finance Commissions by the State Governments, you will see that demands have come from all the State Governments and all political parties that more powers should be given to the State Governments.

When we come to legislative relations, the whole thing is divided into the Union List, State List and the Concurrent List. In respect of matters included in the Concurrent List, the Union Government can make legislation at any time, and that legislation will prevail. This Parliament and the Central Government can legislate even on those matters which are included in the State List.

Now the picture is very clear. The influence of the Central Government in matters of legislation is all-pervading. They can legislate on anything and everything. Using the Governor, the Central Government can withhold those legislations which are passed by the Assemblies in States. There are ever so many instances all over the country. (Interruptions) More than 60 Bills, from all over India, are pending with the Central Government. This practice started in 1959 itself. In 1959 the then Communist Government in Kerala had passed very important progressive legislation on Education and Land Reforms, but sanction to them was withheld by the Central Government; and actually, the Bill was approved after taking away its important clauses.

Regarding Education, it was actually envisaged at the time of framing the Constitution, and even before, that Education should be completely given over to the State sector. But it was included in the Concurrent List. What is happening now? Because our country consists of various nationalities speaking different languages, people having different cultural heritages—

taking all these things into consideration, Education was practically given to the State Governments, and this was included in the Concurrent List. Now the Government has come forward with a New Education Policy. Various State Governments have given their opinion against this New Education Policy, and the thrust of this Policy.

Regarding Higher Education, there is a body called the University Grants Commission. And the actual responsibility of the University Grants Commission is to give the grants, allotted to various universities and colleges, to give away grants which are given to them from the Central Government. Now, using this UGC, the Union Government is trying to control the whole sphere of higher education in our country. The UGC is now imposing conditions that the University should not have elected bodies, elected Syndicates and elected Senates. No representatives of the political parties should be in the Senate or in the Syndicate. If they are there, it says it will not give the grants.

Elections should not be there. Even if it is a nominated body, no representative of a political party should be there. That is what they say. The State from which I am coming that is Kerala has a long democratic tradition in the sphere of higher education. In almost all the universities in Kerala, we have an elected Senate and elected Syndicate. Representatives of the students are there ; representatives of the teachers are there. So, people from all walks of life are represented in the body of the university. When a new university was created, when Gandhiji University was formed, the UGC refused to give recognition to it just because in the new Act it was envisaged that this University will have elected Syndicate and Senate. At last, Kerala Government was forced to amend the Act to nominate Syndicate and Senate. This is what is happening in Kerala. The Union Government is effectively controlling the higher education sector in our country. This is what you are doing with the Concurrent List. Above all, now the Union Government can legislate in a matter which is coming in the State List. Take, for instance, the Industrial Develop-

ment and Regulation Act. So many industries, so many items are included in this Act in which the Central Government can only act, issue licences, anything and everything. The State Government has to wait for the clearance of the Centre. Practically, the State Government cannot do anything regarding the industrial development of a State. So many proposals from so many non-Congress I government are pending with the Union Government. In our State Kerala, for establishing a special refractory at Quilon, land was allotted and budget provisions were made. When the Soviet Union actually offered collaboration, at that time the Central Government intervened and they are not giving sanction to this particular industry; and when the machinery from the Soviet Union was about to be imported, the licence given for importing this machinery was cancelled. Same is the case with Bengal also. Many other non-Congress I Governments have the same position.

SHRI BIPIN PAL DAS (Tezpur) : Why do you make a distinction ?

SHRI SURESH KURUP : Even after the infrastructural facilities for a particular industry have been arranged in a State, the government is going back from its commitment ; they are withholding the import licence given earlier. What does this mean ? So, this situation has to be changed

Then the Central Government can send its para military forces and its own forces at any time to any State ; it can declare any State as a disturbed area without the consent of the concerned State Government or without consulting the concerned State Government. This is what is happening in Tripura. Just on the eve of elections, the whole Tripura was being declared as a disturbed area.

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI CHINTAMANI PANIGRAHI) : The CPI has no politburo.

SHRI SURESH KURUP : The military was sent there and the military is ; still stationed there. A few years back when

[**Shri Suresh Kurup**]

an election was fought in Assam, the Union Government never thought it necessary to declare not even a village in Assam as a disturbed area. They never thought of sending military to Assam.

**SHRI SAIFUDDIN CHOWDHARY (Katwa)** : That is why they lost the election.

**SHRI SURESH KURUP** : The earlier election, not this one. It was the Saikia Ministry which was sworn in.

Then, in Punjab when the elections were conducted, they never thought of declaring Punjab as a disturbed area. They never sent the military to that State. But when it came to Tripura, the stakes were high and suddenly on the eve of the election military was sent and the whole area was declared as a disturbed area, without the consent of the State Government. (*Interruptions*)

Then comes the provision regarding the Governors. During the British regime the Governors were appointed by the imperial rulers to various provinces of this country, and they were responsible to the Governor General and through the Governor-General to the Queen or the King of England. The very same provisions, exactly, were retained in the Constitution adopted by our country after independence. Actually, when the Constitution was framed, the Governors were considered as, what you say, friend, guide, philosopher to a State Government. Immediately after that, after the general elections of 1957, when the first non-Congress Government came into power in Kerala, then the Governor's position was used to malign the Government and at last to dismiss the Government.

I mentioned earlier regarding what the Governor did when some of the important legislations were passed by the Government. And from 1959 to 1988 in every State you can see ever so many instances in which this power of the Government was blatantly misused. Recently in Kerala, you know, that a

non-Congress Government is ruling in Kerala, a Governor who was till recently a Union Minister here was suddenly appointed as Governor of Kerala, without even consulting the State Chief Minister. After that, Mr. E.M.S. Namboodiripad who was the Chief Minister in Kerala twice, came out with a statement that in 1967 when he was the Chief Minister of Kerala, at the time of appointing a Governor, Shrimati Indira Gandhi consulted him and asked about his opinion. Then he said, "You can appoint anybody; but it would be better if you do not appoint any political person." A retired ICS officer, Mr. V. Viswanathan was appointed as a Governor at that time.

In 1988 our new Prime Minister, Shri Rajiv Gandhi does not find it necessary even to make a telephone call to the concerned Chief Minister and consult him regarding the new Governor.

I think the Union Government should go through the recommendations given by the Sarkaria Commission, that a person who was till recently in politics, should not be appointed as a Governor. So many important recommendations were given by the Sarkaria Commission. At least you should accept that. So many instances are there in Kerala also. Last time in 1980 when the Left Front was ruling in Kerala, the Governor appointed a person as Vice-Chancellor from the panel given by the Senate, of her own choice. She never thought of appointing the person recommended by the Government. The Governor's position as Chancellor of the University is according to the Statute passed by the concerned Legislature. As such, the Governor has no power to act as Chancellor of the University in a State. The State Government and the State Legislature has to decide. Even then, the Governor appointed the person of her own choice at that time in 1980. In West Bengal also, when the issue of appointment of Vice Chancellor came up last time, the Governor appointed of his own choice. The Governor is intervening with the political processes in the State. So many instances are there. In Andhra Pradesh, in 1984, a democratically elected Chief Minister was ousted and another

person was enthroned in that place. In Jammu and Kashmir also, you did the same, you had to eat all these things and you are forced to make alliance with Farooq Abdullah—all these things were done using the Governor. Sir, in Kerala, the Governor of Kerala had the temerity to issue a press statement on the 'Bharat Bandh day' that she had given proper instructions to the Chief Minister that the law and order situation should be taken care of. (*Interruptions*)

SHRI V. S. VIJAYARAGHAVAN (Palghat) : Sir, the human lives have no value in Kerala... (*Interruptions*)

SHRI SURESH KURUP : This was one of the most unprecedented incidents in this country. (*Interruptions*)

The Governor has every right to consult the Chief Minister and ask about the law and order situation in the State, and if she wants, she can advise the Chief Minister. But, what prompted her to give a press statement, an open statement, that 'I have given instruction'. Who is she to instruct the Chief Minister ? She is not expected to do this. (*Interruptions*)

SHRI SAIFUDDIN CHOWDHARY (Katwa) : Who instructed her ? (*Interruptions*)

SHRI SURESH KURUP : She acted as an agent of the Centre. (*Interruptions*)

PROF. MADHU DANDAVATE (Rajapur) : She acted as the President of Bihar Congress. (*Interruptions*)

SHRI SURESH KURUP : She acted as the President of Bihar Congress and an agent of the President of the Indian National Congress... (*Interruptions*)

My point is that the post of the Governor should be abolished. I know you are not going to abolish the post of Governor, and you are not going to elect the Governor also. But, you should at least implement the recommendations of the Sarkaria Commission. (*Interruptions*)

MR. DEPUTY SPEAKER : Wind up.

SHRI SURESH KURUP : Please give me some more time.

MR. DEPUTY SPEAKER : There are many speakers. Every one wants to speak. So, wind up. You have taken more time. (*Interruptions*)

SHRI SURESH KURUP : The Sarkaria Commission report was not discussed in this House. So, this has to be discussed in detail. (*Interruptions*)

Regarding the financial relations, in the Constitution—I am not thorough with the Articles of the Constitution..(*Interruptions*)

PROF. MADHU DANDAVATE (Rajapur) : I will take care of it.

SHRI SURESH KURUP : Prof. Dandavate will take care of it.

MR. DEPUTY SPEAKER : Wind up.

SHRI SURESH KURUP : I will conclude it.

Regarding the financial relations, the Finance Commission is supposed to go into the financial relations between the Centre and the States and the budgetary transfers from the Centre to the States. It has become a practice to ignore the Finance Commission in the transfer of the funds of the Centre through Planning Commission and also through discretionary grants and loans. Today morning only, Prof. Dandavate has raised an important question regarding a new provision which robs the States of their legitimate funds. More and more financial transactions take place outside the ambit of the Finance Commission. The States should get their legitimate share from the receipts of the income-tax. Now the Centre has found out a new way. It is putting surcharge on income tax so that share need not be given to the States. There are so many other things which the Union Government is doing regarding transfer of finances and it is robbing the States of their legitimate share. All these things should be taken into consideration in the matter of Centre-State relations,

[Shri Suresh Kurup]

I hope, the Central Government will at least implement the modest recommendations of the Sarkaria Commission and give more powers and autonomy to the States.

**SHRI SOMNATH RATH (Aska) :** In our country exists Centre and States, two tier Government system. It is meant to ensure the unity and integrity of the country which is paramount. It is also meant to promote the welfare of the people. The Centre-State relationship should be on the basis of understanding, certainly not by confrontation, to find solutions to various problems. In the functional aspect of the Union-State arrangements, the mode of discussion and the solution to be arrived at, is paramount.

The Sarkaria Commission on Centre-State relations which was set up in June 1983, is an apparent indication of tremendous foresight and pragmatism of our beloved late Prime Minister, Shrimati Indira Gandhi. The present Prime Minister, Shri Rajiv Gandhi, is no less keen on the issue of Centre-State relations. He deserves acclamation of the entire nation on his insistence on Centre-State cordiality.

The Commission should be congratulated for making some significant recommendations and for submitting a voluminous report containing 4900 pages. The report has asserted for a strong Centre which is imperative for preserving the unity and integrity of the country. In fact, it is the intention of the framers of the Constitution to provide a strong Centre for our country.

The report does not favour major modifications in the basic scheme of the Constitution. The Commission has made out a strong case for inter-State councils which are to be used for the purposes mentioned in article 263. This is commendable.

The Centre-State relationship is now intertwined with political issue. Our friends from the Opposition have stated that the present Central Government is not treating the States well. They have

even cited some examples of President's rule, Governors' appointments, etc. But I want to bring to their notice all that happened in 1977. Many states then, which had hardly remained in power for half the term for which they were to rule, had been dissolved by the then Central Government, that is, the Janata Government. They should have learnt a lesson from that. There was no protest for it. And those parties, which had done this in 1977, are now, on the top of their voice, criticising the present Government.

**PROF. MADHU DANDAVATE :** From our experience.

**SHRI SOMNATH RATH :** May be from their experience. Thanks to Professor Dandavate.

Now, Sir, they have also talked about the overdraft. These overdrafts by many State Governments give rise to inflation and also lead to many complications. So, there must be some monitoring agency, some supervising agency to see that the States never misutilise the funds or divert the funds otherwise. Take, for example, the funds given to different States by the Centre for poverty eradication schemes. Huge amount is given at the time of natural calamities. But instances are not rare when, by some States, the funds are misutilised or misdirected for some populist schemes. If the Centre raises any objection, it is stated that the Centre is not treating the States well.

The Prime Minister has called a meeting of all the Chief Ministers and it is practically decided that we should achieve our goal of 75 million tonnes of food production by the end of the Seventh Plan. To do this, it is essential that the States raise their funds, their resources. If the States do not cooperate, if they do not raise their resources, then how to achieve this national goal ?

Some Members from the other side have talked about the education policy. The education policy is now a National Education Policy and it has been debated in this House. The National Education Policy is to be implemented in the country on partnership basis, by the States and the

Centre, not by way of confrontation. Unless there is cooperation between the States and the Centre, if we smell a rat in every scheme and criticise only for the sake of criticism or with political motivation, the growth of the nation will be hampered.

The Prime Minister has called a meeting of the District Collectors in different States. I do not know why there should be any objection to it because now it is at the district level that the planning will start, not at the Central level. The Centre is not to dictate or to plan for the States or for the districts because the infrastructure, the circumstances vary from district to district. When the Prime Minister has asked the District Collectors, in the meeting, to review how best the poverty eradication schemes and other Central schemes are being implemented, and how we should work we should be responsible and also how the district planning should be formulated at that level. There is no reason why they should raise it. So, in our country, what is needed for national growth must be thought out. You can criticise if there is any defect in the scheme or programme and the criticism should be to attain the target, to attain the goal, but leaving everything what the schemes and programmes have been doing for the benefit of the people, for the growth of the nation, without giving any valid suggestions to plug the loopholes, there is no point in making criticism only. Then, in that case, the present discussion on Centre-State relationship will be of no use. So, Sir, what I would like to say is that there should be cooperation as far as the Centre-State relationship is concerned the ultimate aim being national growth. There are regional imbalances. There are States with huge infrastructure.

MR. DEPUTY SPEAKER : Already the time allocated for this Resolution is over I want to know the sense of the House whether we can extend the time for this Resolution.

SOME HON. MEMBERS : Yes, Sir. We can extend the time by two hours

MR. DEPUTY SPEAKER : All right. Mr. Somnath Rath, you may continue.

SHRI SOMNATH RATH : Sir, there is poverty in the midst of plenty. Just like in Orissa, for various schemes, the State has to provide a matching grant from about 25% to 50%. The affluent States can afford to give this matching grant for those programmes and schemes which can be implemented by contributing matching grant to be given by the State. Then the result is imbalances which instead narrowing down, are widening. The affluent States can afford the matching grant but the backward States cannot contribute the matching grant. So, the Planning Commission as well as the Centre should review the position of those States who are backward and they should be given sufficient assistance. There should not be a practice that one programme or one scheme should prevail all over the country, without taking into account the financial position of each State. These are the aspects on which we can discuss, but not all the programmes on and schemes the political basis. So, Sir, I want to submit that the recommendation of the Commission should be thoroughly debated and such recommendations which foster unity and integrity of the nation should be accepted by all of us.

PROF. MADHU DANDAVATE (Rajapur) : Mr. Deputy-Speaker, Sir, the House should be thankful to the hon. Member, Shri H.M. Patel for having placed for the consideration of the House a very important Resolution that seeks to discuss the Centre-State relation. Sir, the founding fathers of our Constitution, one of them is present here, with due consideration to all aspects of India's unity, opted out for a federal pattern of Constitution because they realised that India's unity was unity in diversity.

Sir, historically the days in which the Constitution was framed were the days ravaged....(Interruptions). I am coming to that just now. Wait for one sentence only I am coming to that.

Sir, he anticipated my sentence. I will complete it now.

[Prof. Madhu Dandavate]

Due to historical circumstances ravaged by Partition and instability that was created in the wake of Partition, certain unitary features of the Constitution were inducted into the Constitution and therefore, really speaking, our Constitution is a blend of federal as well as unitary aspects.

**SHRI BIPIN PAL DAS :** That is right.

**PROF. MADHU DANDAVATE :**  
You agree with me.

**SHRI BIPIN PAL DAS :** I say, quite right.

**PROF. MADHU DANDAVATE :**  
That is right, Thank you.

Sir, I find that because of certain historical situations it was a blend of federal as well as unitary constitution, but as Dr. Ambedkar made it very clear and others also made it clear, the essence of a democratic life is the acceptance of federalism in polity, in economy and also in the field of Constitution. I feel that if the federal core of the Constitution is to be properly preserved, and more than federalism if the approach of economic and political affairs is to be preserved, it may become necessary that some of the articles of the Constitution will have to be amended. There is nothing sacrosanct about the Articles of the Constitution. In fact, we have the 59th Constitution Amendment. So, fifty-nine times we actually amended the Constitution. Therefore, if the socio-economic conditions demand, certain Articles will have to be amended. And, Sir, you may recall that according to the original terms of reference for the Sarkaria Commission there were no terms of reference that prescribe the Constitutional amendments. But later on the terms of reference were modified and the Sarkaria Commission was told that 'you can also examine whether certain Articles of the Constitution need to be amended and therefore, I feel that if at all devolution of power and decentralisation of economy

and the resources demand certain modifications of the Constitution, we should hesitate to amend those portions of the Constitution. Take, for instance, the encroachment by the Executive as the Centre on the State powers. If I have just to illustrate, Articles 31A, 31C and 304(b) will have to be reconsidered, if necessary, to see that there is no intervention by the Central Executive on the legislative powers of the State. I don't make a firm assertion that these amendments are a 'must', but if it is necessary, they have to be gone into.

The next aspect is the assent to the Bills. Sir, the Legislative powers of the States are a very significant sector of our political life and of our legal life. Assent to the Bills is very vital. If you go through the proceedings of a number of States, sometimes regarding land they are scheduled to be revised, regarding the language so many Bills are passed by the States. They are in the form of certain reforms, certain sociological transformations or reforms or you find that sometimes they are found to be more radical than that is necessary by the Centre, sometimes they do not agree with the ethos of the Central Government and as a result of that, the two obstacles in the path are the Governor and the President. If you look at the present provisions of the Constitution, once the Bill is already sent for the assent, there is no definite period that is prescribed that within a certain short limitation the President must give assent to the Bill. Therefore, these aspects have to be gone through.

Then we come to the role of the Governors. The Sarkaria Commission has applied its mind to the problems of appointment of the Governors and their functions. They have not taken the extreme attitude that the Governor's post must be abolished. Nor have they taken the attitude that the Governor must be elected. But they have carefully gone through various memoranda that were sent to the Sarkaria Commission and they have realised that Governor is a very important link between the Centre and the State. For instance, when President's rule gets promulgated in a particular

State, if the Governor reports, to the Centre that the Constitutional machinery in a particular State has failed, in that case, the President promulgates, of course, on the recommendations of the Central Cabinet. And, therefore, the Governor's reports are very important. Of course, in some of the States, it has happened. In Madhya Pradesh on the occasion, the Governor has publicly said, there is no collapse of the law and order machinery, there is no Constitutional crisis in the State. But later on we found that the Centre had intervened and actually the President's rule was promulgated. Therefore, this happens in some cases, because of the misuse of powers by the Governor. Unfortunately, if you look at the manner in which the Governors are appointed, it is not an accident of history that generally the defeated members of the ruling Party get appointed as the Governors. It becomes a political patronage. Governor's post has unfortunately become political rehabilitation, compensation. Such Governors who come into being as political rehabilitation, compensation are not likely to act in an objective manner, nor worrying that exactly the ruling Party at the Centre is considering, though they should have an objective criteria system. Therefore, the Sarkaria Commission has very categorically said this. They have not said that those who have some political thinking approach or perception should be eliminated. I do not think in a democracy, even an independent person will be free from any political perception or ethos. But they have said, those who are actively involved in partisan politics should be kept away from the Governor's post.

There is one more aspect. I do not want to deal much on that. But there is one particular aspect of the Governor which is very significant from the point of federal polity and Centre-State relations. I do not want to indicate any specific instances. In this very House, if you remember, at the time of Andhra crisis, I had brought a substantive motion against the Governor and demanded his dismissal. I knew that my resolution was going to be defeated by brute majority. But I said,

on the occasion, you may throw away my substantive motion against the Governor of Andhra Pradesh, but I assure you hon. Members that even after the defeat of my resolution, the situation will so conspire and the people will assert in such a manner that you might prevent the Governor being thrown away on the basis of my substantive motion, but within 10-15 days, you will find that the Governor is out but within 8 days, he was out. I was not an astrologer. But I understood what is the pulse of the people there; what is the strength of the ruling Party in the legislature what exactly the feeling among the people and on the basis of the even the Centre had to revise its attitude and ultimately the Governor decision had to be reversed and the Governor also had to be sent out. This happens because in certain matters, Governors are given enormously much powers. This is the sphere and area where in the interest of harmonious relation between the Centre and the State, Governor's powers should be curtailed, i.e. in the field of testing the majority of the ruling Party on the floor of the House. I am firmly of the opinion and in our memoranda to the Sarkaria Commission, we have stated very clearly both at the Centre and the States—in fact, I introduced a Private Member's Bill that whenever there is doubt whether those who are ruling a particular State, command a majority or not, the legislative majority should not be tested in the cosy chamber of the Governor but must be tested on the floor of the House. Even at the Centre, it is not the Rashtrapati or the President. It should not be left to his discretion to test whether there is majority or not, parading the people, trying to get their signatures. More than that, the surest and the safest and the most democratic method is to test the majority of the ruling Party on the floor of Parliament or on the floor of State Assembly. If that is done, more cordial and harmonious relation between the Centre and the State will evolve and no legislative party will feel that with the whip of the Centre they are likely to be destroyed or that is likely to happen. Therefore, that aspect has to be considered.

[Prof. Madhu Dandavate]

As regards the encroachment by the Central bodies, we have in our country a number of Central bodies. At present, a number of Central agencies such as the Agricultural Prices Commission, Central Water Commission, Central Electricity Authority, Director-General of Technical Development, Monopolies and Restrictive Trade Practices Commission, Employees State Insurance Corporation, National Savings Organisation, Employees Provident Fund Organisation, Bureau of Industrial Costs and Prices and Food Corporation of India etc. handle activities relating to subjects in the State and Concurrent List of the Seventh Schedule of the Constitution. So, it is very necessary that some of the Central organisations, because they are making inroads into the State autonomy, this encroachment has to be effectively prevented by statutory provisions. Unless this is done, these organisations and institutions are likely to be utilised to erode the autonomy of the State and their autonomous functioning and that also has to be safeguarded.

I come to the deployment of the para-military forces in various States. This House may recall that when the Garhwal election was to take place, a controversy took place between the Election Commission and the Home Ministry in our country. I raised a discussion in this House and I had correspondence with the Election Commission. They tried to misinterpret the provisions of the Constitution. For instance, Election Commission consistently held the view that since the State Government has to conduct the elections, they have to provide the machinery and, at the same time, Election Commission fixes up the schedule and they are in ever-all charge of the elections as a whole. A number of elections are taking place in various States. They must be previously consulted of how much machinery of various States is available, how much deployment by the Centre has to be there, and consultation is there. In fact, concurrence is better. I insist that in the interest of better Centre-State relationship, there should not be *suo motu* deployment, either of army or of para-military forces in

any particular State. I will give the illustration of Garhwal. When the Garhwal by-election was taking place, without the consent of the Election Commission and without contacting the parties concerned, large para-military force from surrounding States was inducted into Garhwal and when the candidate lodged a complaint to the Election Commission, the Chief Election Commissioner sent an observer to Garhwal Constituency. I congratulated the Election Commission then. When, on a wireless message they communicated that a large number of para-military forces from the adjoining States have been inducted and they can over-awe the voters and, therefore, a climate of free and fair elections will not exist, the Chief Election Commissioner in the midst of the election announced that "I am postponing the election." Elections were postponed to a further date. All the contesting candidates were contacted. Suitable date was fixed up at a later stage and in a better atmosphere which was not over-awed by the excessive para-military forces inducted into that Constituency, fair and free elections were held. That is the way things are to be conducted. In order to give a statutory basis for that, I am one of those who feel that *suo motu* deployment by Centre of para-military forces in various States should not be permitted. There must be concurrence of the States concerned. Then only the deployment should be there. ✓

PROF. N. G. RANGA (Guntur) : States are not interested in concurring.

PROF. MADHU DANDAVATE : You have to deliver the goods only through them and I wish to quote a Member of the Constituent Assembly. When there were certain provisions that were likely to be misused, Dr. Ambedkar, in so many words—Dr. H. V. Kamath raised these questions in the Constituent Assembly, the question of emergency, the question of deployment—said that certain provisions of emergency and others were very rigid. You know what Dr. Ambedkar said :

"One is not very happy to have these provisions, even of emergency in such a rude way"

But he said that :

"Take for granted that those who will be ruling the country will be of a democratic temper".

But he said that :

"There are rulers who do not accept democratic outlook and attitude and, in that case, these provisions can be misused."

But, let us hope that some of the provisions will remain. Dr. Ambedkar used the words "Will remain a dead letter". But dead letter sometimes becomes a live letter in our country. Therefore, some statutory provisions must be made. It doesn't matter which party is in power. For instance, I am plainly saying one thing. I fully agree with my friend who said that even when the Janata Party was in power, in some of the States, where the Lok Sabha poll was heavily in favour of Janata Party, the Chief Ministers were told : "You should dissolve your Assemblies and face elections". Today, I accept that was a wrong step. No doubt, the elections took place and we came in those States with overwhelming majority. But it is a fact that that created a precedent. Even one who belonged to the Cabinet of the Janata Government, I do see in retrospect that the step that we have taken there, though apparently it appeared that it was of a temporary game but it was a wrong step that my Government took in those days and set a very wrong precedent. Even though my Government had done, I would not justify it. Therefore, we must have certain statutory provisions and also conventions by which such things could be avoided so that harmonious relationship between the Centre and the States will be there.

Now, I would like to come briefly to the Centre-State financial relations. To my mind, this is one of the most important aspects. States suffer from inadequate financial resources as well as inadequate financial powers. I am one among those who feel that there must be happy balance between the Centre and the States. No State should be allowed to use as a

spring-board for creating a spirit of secession and disintegration. At the same time, the Centre must not treat the States as their bonded-labours. The autonomous concept should not be stretched to such an extent that the spirit of disintegration and secession from the Indian Union will be created.

SHRI RAM PYARE PANIKA (Robertsganj) : Prof. Dandavate should tell us where the Central Government has committed such a thing. It is no use saying like this. He must give specific examples. It is a very serious thing.

PROF. MADHU DANDAVATE : I am putting forth the strong expressions of the States. I am saying that nothing should be done by the States by which the States can be utilised as springboards. (*Interruptions*) Has it not happened ? What are you saying ? Do you want any instance ? I will tell you. There was a time when in Tamilnadu when Annadurai was leading the DMK Party, there was a time when in the Constitution of the Party, they had declared : "We would like to create a State, not within the Indian Union but it should secede from the Indian Union." But I pay tributes to the leadership of our country, irrespective of the party, they did not take an isolationist attitude. They felt that he and his State is going in a wrong direction. The Parties in the mainstream kept contact with those organisations; convinced them that there would be a happy relationship between the Centre and the States; they need not take such an alarmist view and talk in terms of secessions from the Indian Union. After that, the same Annadurai who at one stage in the Constitution of his Party talked about secession from the Indian Union, gave up that slogan and they became an integral part of the political atmosphere in the country. I think it is a tribute to the national leadership in the country that they did not drive away them to the wall. On the contrary, by keeping a dialogue with them, keeping them in the mainstream they persuaded them to give up. Neither the AIADMK nor the DMK nor any wing of the DMK now talks in terms of secession at all.

[Prof. Madhu Dandavate]

In the case of Punjab also, that is a warning. Anything can be considered in Punjab but not a separate demand of Khalistan. But if the separate demand of Khalistan is to be fought, in that case, all possible persuasive methods should be undertaken to explain to them that any dangerous slogan of secession from the Indian Union is going to be harmful to the country and harmful to the State concerned. Fortunately, the national leadership in the country was able to convince the people of Tamilnadu. The same type of approach will have to be adopted and throughout the country. We will have to prevent secessionist ideology.

Sir, regionalism grows. Regional Parties have emerged. But here, I am of the opinion that why regional parties emerged. Why strains in our national unity sometimes are created? It is because the legitimate aspirations of various States are not taken up by the national parties in the mainstream. Wherever the national parties in the mainstream are able to take up the legitimate regional aspirations of the people, remain with them in their trials and struggles, in that case no regional party will emerge.

I will give two simple illustrations. In Assam there was a fight against the question of foreign nationals. It was a slogan, a national slogan not relating to the problem of Assam. But as far as the region of Assam is concerned, it was very much there. The region of Assam was disturbed by that particular problem. If the national parties have taken up that issue and fought for that, no regional groups would have come up there. A small group of students and youth had to fight alone. They fought the elections, they formed the regional party and as a result of that, a regional party came up.

On the contrary, Prof. Ranga will bear me out, when there was struggle for linguistic agitation of States to which Mahatma Gandhi was committed, in my State of Maharashtra there was an agitation for the creation of a separate

Samyukta Maharashtra. But no regional party was formed to fight that; all the national parties, the Left Parties, Parties like the Socialist Party, Communist Party and others fought the battle, all-India parties participated in that and therefore there was no scope for any regional party to come up in Maharashtra on the basis of linguistic agitation for Samyukta Maharashtra. Therefore, no regional party grew up there.

There is one more aspect. The legitimate regional aspirations of every State must be reconciled with the national aspirations and it is the all-India parties that have to take up this task—no matter whether it is the Congress or Janata or any other Party. If the all-India national parties in the mainstream cater to the legitimate regional aspirations of the people in various States, then the regional parties will not grow and they will not frighten us. This constructive approach has to be taken.

I will conclude touching only one aspect, about the financial relations. If States suffer from inadequacy of resources and financial powers, then the States are likely to suffer and the tension between the Centre and the States would grow. Therefore, I suggest briefly the following few points.

1. Income-tax including tax on companies should be shared by the Centre and the States.

2. The Surcharge levied for general revenue purposes on duties and taxes, including income-tax, should be treated as a part of the divisible pool.

3. Auxiliary and special duties should be merged with the basic excise duty, and at least 60 per cent of the net proceeds should be made available for the divisible pool.

4. The grants to the States under Article 275 of the Constitution should not be drawn from the States' share of the divisible pool, otherwise that is destroyed.

5. To deal with the acute problems of institutional finance, a National Credit Council consisting of representatives of Central and State Governments at ministerial level, the Governor of Reserve Bank of India, the Chairman of NABARD, IDBI, Export Import Bank and LIC should be established under the aegis of the National Development Council.

If these reforms are brought out, even in the financial field no State will feel bad. This is the point that cuts across whether they are Congress States or non-Congress States. For instance Orissa is a State run by the Congress Party. Bihar is another State run by the Congress Party. There are some States run by the non-Congress parties. Forget for a moment whether it is non-Congress or pro-Congress, as far as financial arrangements are concerned, if they are made in an equitable manner so that the pool of resources can be divided in a just and equitable manner and no State gets an idea that it is totally rejected; in that case it would be possible for us to see that we will be able to get sufficient strength for our States.

6. When the Centre resorts to the revision of administered prices, except when such revision is intended to meet the losses, the additional income that accrues, the increase in the administered prices, should be included in the divisible pool.

7. The Centre must not monopolise market borrowing but the same facility should be available to the States for certain projects, certain railway lines, etc. If the State says that it is prepared to resort to public borrowing, that should be allowed.

8. The main reason for the overdrafts is the lack of balance between their developmental responsibilities and the financial resources at their disposal. Steps should therefore be taken to correct this imbalance so that there may be no scope for discrimination between one State and another on political grounds in permitting overdrafts.

17.00 hrs.

I am sure that if these aspects are properly attended to in the field of financial

resources as well as financial powers some sort of a tension that exists between States and States and States and Centre that will disappear. The founding fathers of our Constitution wanted harmonious relationship between Centre and State and if you ask me a question : Do you want a strong Centre or a strong State ? My reply will be that I want a strong State and a strong Centre because strength of the State lends strength to the Centre and strength of the Centre lends strength to the State and, therefore, harmonious relation between the Centre and the State alone will be able to defend the federal polity in the country, federal Constitution of the country and federal economy of the country and only if we are able to do that then only we have a moral right to talk in terms of Gandhiji's idea of decentralisation and devolution of power.

I hope and trust by a common dialogue and consultation, we will be able to evolve a common pattern of that dream so that India's federal polity and federal Constitution becomes a reality.

[Translation]

SHRI RAM PYARE PANIKA (Robertsganj) : Mr. Deputy Speaker, Sir, I, alongwith the entire House, will remain grateful to Shri Patel who raised a very imoprtant point here and expressed his views keeping himself above politics. But it pains me very much when I see that our colleagues in the opposition say one thing when they are in the opposition and altogether a different thing when they are in power. The Janata Party came to power in 1977....(Interruptions).

PROF. MADHU DANDAVATE : It has gone since long. Why do you talk about it ?

SHRI RAM PYARE PANIKA : The Janata Party dismissed 9 State Governments in a single day and imposed President's rules in those States. If they want to establish the democratic values, why do they adopt double standards. They want to have such Governments in the States which will be given protection only by the Centre and not by the State themselves. I would like to put two or three basic

[Shri Ram Pyare Paniks]

questions in this regard. The Constitution is very clear about the system of administration in the States. We have the state list and the concurrent list. We should honour the system as envisaged in the Constitution. It is a matter of great pleasure that the Sarkaria Commission in their report submitted to the Government has followed the fundamentals of the Constitution and it has said that there is no need to change the fundamental principles of the Constitution. The provisions of our Constitution are right in their place. Conclaves were held in Hyderabad, Calcutta and Jammu and Kashmir during the last few days. Our Prime Minister said a very good thing in this regard. He said that it is all right if any Government works in the democratic way but if any of its actions poses a threat to the unity and integrity of the country, it will be dismissed. The non-Congress Governments made a lot of hue and cry over it with the remark that the Prime Minister is not in favour of the non-Congress Governments. On the other hand, the Prime Minister does not want to make any discrimination against any State. Just now we were talking about Andhra Pradesh. The Central Government took timely action as a result of which the country achieved a good position. Your action in that State is unpardonable. All of us should make a resolve and honour it. So far as the question of financing is concerned, the Central Government does not make any discrimination anywhere. Had Shri Dandavate been here I would have asked him as to whether the Central Government enjoys any right to call for the accounts of the money, it allocated to the States for various purpose, no matter if it relates to an overdraft for West Bengal. Some State Governments are levelling charges against the Central Government for political reasons. For example, now a days we are implementing a New Education Policy. All the State Governments have drawn the amounts from the allocations made to them but the State Government of West Bengal has not drawn its share of allocations of Rs. 200 crores, on this head. Their only pretext is that once they draw the money, they shall have to implement the education

policy of the centre. Funds were allocated to all the States under the operation black board, but the Government of West Bengal did not take this money. But it is not known as to how the Government of Kerala turned clever and took this money. The whole country should have such an education policy which may strengthen the country. But to-day, a uniform education policy is not being followed in the country. (Interruptions).

[English]

They have not taken the money which was sanctioned by the Central Government in the field of education. This is the difficulty in this country.

[Translation]

What sort of Centre-State relations do these States want? When the question of drawing funds from the Centre arises, they allege that the Central Government does not want to give the funds and when the Central Government gives the funds and calls for the accounts, they do not appreciate it. You will be surprised to know that some State Governments have diverted the funds allocated to them under developmental programmes like NREP, RLEG and other drought relief works, and have utilised the same to project their own image.

Their partymen engage their own persons for such programmes. Even then, they say that the Centre is not treating well the States. We are one Nation and want to strengthen it. There are some State Governments which talk not only of Bundhs in spite of the satisfactory law and order position in the State but also actively participate in them. You will be surprised to know that in Kerala, the Government itself assaulted the people. History will never forgive them for their atrocities. Today we have to think deeply and seriously as to how the basic structure of our Constitution can be protected. The Sarkaria Commission has also expressed their concern in this regard and stressed that the basic structure of the Constitution cannot be changed. We have a National Development Council comprising the Chief Ministers of all the States. In its

meetings all the decisions, not only on the developmental policies but on the entire development as such are taken unanimously but after such decisions, these Chief Ministers invite the press separately to point out the faults of the Central Government. All this is on record. Just now, Shri Dandavateji was referring to the distribution of financial resources. On this point, I would like to make it clear that we have got lists for it. Our National Development Council and Finance Commission take a decision in this regard keeping all the aspects in their view. Today what we need is the decentralization of power for which our Government is making efforts in line with the Gandhian ideology. But some State Governments are obstructing it. Who is responsible for the recent emergence of the regional parties. History would never forgive a top leader of opposition for his frequent floor crossing. For maintaining his existence in this House and in the Upper House he has created several parties such as Lok Dal 'A', Lok Dal 'B', Janata Party and Bharatiya Janata Party. It shows that opposition leaders have got no dedication for their ideological principles. Even Shri Atal Bihari Bajpai and Subramaniam Swami who have been the members of this House, have changed many parties within the period of 3-4 years. Mr. Chandrashekhar is the leader of the party to which Shri Madhu Dandavatji belongs. At a time Chandra Shekharji had a faith in those national values like secularism and socialism which would strengthen the country but today the position is different. Just because of the majority of yadavas in his constituency of Ballia, he has started talking of joining an unholy alliance. Therefore, sir, they have no permanent principles of their own. That is why dissensions have developed in his Party. The opposition parties have made an unholy alliance in the name of casteism or regionalism.

Sir, at present, Telgu Desham and some other regional parties of South India have meaninglessly come closer. Since long they have been thinking to unite and to have one leader but have failed and are still a failure. Today they are talking of the cordial relations between the Centre and the States. These leaders negotiate

against their values just to capture power. In fact, they will never come in power. I am sorry to say that these leaders of the opposition would be totally swept out in the next 'general elections' which are to be held in 1989 or 90. If you look at their performance from 1977 to 1980, you would realise the gravity of their utterances on values. During their regime, they distorted the planning process with the adoption of the Rolling Plan which has rather weakened the Centre-State relations instead of strengthening them. Sir, during their rule, the agricultural production declined to 17.4 per cent and the industrial production to 1.4 per cent. Not only this but nobody knows to whom they have sold out the entire reserved gold of the country. Even then, they claim that they want to strengthen the country.

Sir, this year the severest drought of the country has affected a large area of 350 meteorological zones but due to our strenuous efforts, the rate of industrial production did not come down, instead it has increased to 11-12 per cent and now we want to increase it further by 8.9 per cent. We are producing 7-10 lakh m. tonnes of foodgrains. All this has been possible because of the efforts of the Central Government which has always worked with the cooperation of entire country. In face of the adverse effect of drought on agriculture, our Prime Minister came forward with a new action plan for economic and agricultural production which was formulated with the active participation of all the Chief Ministers irrespective of their political affiliations. But I am sorry to say that all the Chief Ministers when they go to their States, claim themselves the credit of the plan. It is in fact, the height of degradation that some State Governments do not feel obliged to the Central Government for the assistance given to them by the Centre, instead they claim that whatever good is being done in the State is due to their efforts. They say that it is they who are opening the fair price shops. Only they are supplying the commodities to the people of their State. They are not being given anything by the Central Government but merely the 14 point guidelines to be observed by the State and accordingly,

[**Shri Ram Pyare Panika**]

they have distributed the amount of assistance among the public. But you will be surprised to note that many of the States, majority of them ruled by the opposition and only a few of them ruled by the Congress, did not take and distribute among the public the supplies of wheat, flour or palm oil meant for them. Actually they were politically motivated in it and did not want the people to know that the palm oil was being supplied by the Central Government. Even if these State Governments listed some of their share of assistance, they did not distribute it among the public but sold it away in the market. In such circumstances the Central Government has to face a serious problem for the uncooperative attitude of the State Governments in regard to the implementation of the economic programmes and the availability of the consumer goods to the public. There are several projects like the irrigation project of Tungabhadra or the Cauvery water dispute in respect of which the Central Government has nothing to do because this is the State Subject and the Central Government feels that the disputes between the States should be resolved by the concerned States themselves. If the States fail to resolve their disputes, they again blame the Centre for their failure and allege that the Centre does not take interest in their affairs to rescue them out of their difficulties. We want to know as to why the Maharashtra and the Karnataka State Governments cannot sit together, and find a solution to their disputes ?

Will the hon. Members of the Janta Party, the Forward Bloc and the C.P.I. (M) sitting here tell me the number of programmes meant to benefit the masses falling under their jurisdiction which are now lying in cold storage. What we require most today is that the State Governments should settle their disputes among themselves and realise their duties. Otherwise they have no right to level allegations against the Central Government.

As regards the administration, here many a Central organisation, like the

Central Electricity Authority, have been mentioned. But you cannot quote a single instance where the Central Electricity Authority did not extend its help to any State that asked for it ? I am sorry to say that once the Central Electricity Board had asked the Central Electricity Authority to help the Government of West Bengal because the installed power generation capacity of the State was falling short of their requirement but the State Government did not co-operate with them because they were apprehensive that if they allow the Central Electricity Authority to function in their State, the reasons responsible for the low power generation in that State will be made known to all and they will be exposed. West Bengal is the only State in the country where power generation is as low as 30%.

I am proud of the Government functioning under the leadership of Shri Rajiv Gandhi under which the power generation in the country today stands at the level of 60%. If we take only West Bengal and parts of Bihar and Assam, their total power generation comes to 55%. But West Bengal alone generates only 30%. (Interruptions)

[*English*]

**SHRI AMAR ROYPRADHAN :** I may tell the hon. Members that the power position in Bihar and UP is far far worse than that in West Bengal.

**SHRI RAM PYARE PANIKA :** I am talking on the basis of record, not in air... (Interruptions)

[*Translation*]

The Unions of the jute-mills in West Bengal are not recognised by some industries. What kind of State Government is it that declares these mills sick and does not provide them power, police protection and other essential facilities just because of this reason ? What does the State Government want ? If it demands that elections be held, I voice the same demand even more strongly. Let the Chief Ministers of West Bengal, Andhra Pradesh and Karnataka resign immediately and

seek the fresh mandate from the people. Myself, my hon. colleagues and my other leaders are prepared to contest. Why should the Central Government resign? Haven't we scored over the Opposition in Tripura and Meghalaya? Yet the Opposition asks the Central Government to step down. It is very unreasonable.

The Opposition has no principles. It is neither leftist nor rightist. If the Opposition wants to co-exist peacefully in the country, it should learn to have a regard for Dr. Ambedkar and other great persons who gave us constitution, made sacrifices and laid down their lives for the country. People who burn the Constitution should keep in mind that the public will never forgive them. I hear that Shri George Fernandes is going to burn a copy of the Constitution. But he should know that if he is bent upon burning the Constitution to mark his disrespect for the same, he should not hope to have cordial relations with the Government.

I am very grateful to have had the opportunity to speak. I had a lot more to say but this attendance has damped my enthusiasm. Thanking you.

[English]

**SHRI ABDUL RASHID KABULI**  
(Srinagar) : Sir, India is a vast country made of different States and regions. They all have their rich cultural heritage yet all these characteristics mingle together to join the mainstream that is called India. Sir, the founding fathers of the Constitution envisaged powerful Centre but at the same time they had shown faith in federalism also. Unfortunately, presently we do not like this word. We are sometimes, provoked by this federalism concept. Sir, even the leaders and the builder of modern India, Shri Jawaharlal Nehru admitted that in India we find unity in diversity. Sir, after independence this reality of federalism was recognised. It was during Jawaharlal Nehru's tenure as Prime Minister that the States were re-organised on linguistic basis. As a result of this, Sir, we found the emergence of Punjab, similarly Haryana, Maharashtra and this process continues.

Sir, the basic concept was to create the linguistic states but the language was not the only criteria, it involved many other important factors like the distinct features of cultural heritage of different States. Sir, we cannot reverse this process. We have to go ahead with it. We have to accept this fact that this is not going to divide India.

This is our experience with Pakistan. They wanted to have a unitary system in Pakistan. They wanted to subjugate and rather suppress and undermine the cultural ethos of Bengalees. They did not like their individual character. What happened in the end? Pakistan finally lost Bengal, now Bangladesh.

Even the countries like the USA and USSR have recognised autonomous character of their individual states. The United States despite these is proud of its nationalism and so is the USSR, though language or the culture have been fully recognised by our Constitution, they have been given full appreciation. In this connection, I would like to say that the Sarkaria Commission is an achievement. I think we must appreciate the gesture of late Smt. Indira Gandhi who recognised the present day reality of India and the precious aspirations of the people of different States.

Therefore, this Sarkaria Commission was set up. Though it has given a sort of confused appreciation of the facts, still I feel that its findings are a landmark in the Indian constitutional history. We are marching ahead in the right direction. We might have committed many blunders in the past. For instance in the Punjab, option was given to the people of that State to choose either Punjabi or Hindi. Unfortunately some vested interests in that State incited innocent people to opt for Hindi as their mothertongue. What happened then? Tensions grew and finally the present day blood bath which is being witnessed there is the consequence of that basic blunder when Hindus and Sikhs were divided by some criminal forces on the issue of language.

I feel in the present day India there are certain spheres which are very impor-

[**Shri Abdul Rashid Kabuji**]

tant for the unity of India. We cannot ignore telecommunications, defence forces, posts and telegraphs, Central Water Commission and some such departments which are very vital for India's unity. Telecommunications and defence forces especially give due protection to India and sustain the unity of India. But we do feel that certain departments like the CRPF, etc. sometime create some problems. For instance in Tripura and also in some other States such as Punjab we have seen the local police fighting against the CRPF, and the Central police fighting against the regional police. This sort of a thing is not going to help India. We have to find some way out some process is to be started and something is to be done so that this sort of a thing is not encouraged. In this connection, I may submit what has happened in my own State, Kashmir. In Kashmir when there was some trouble, the CRPF were asked to act. Unfortunately, the Kashmir police and the CRPF being suspicious clashed and there was confusion and chaos. This gave rise to a bitterness which is detrimental to the interests of India. Therefore, these forces must be evamped and there must be some solution so that these things do not hinder the integration the oneness of India.

In this connection, I also want to raise the issue of role of Governor. The institution of Governor has become a puzzle. After all in every State, there are elections and people elect their representatives. The Chief Minister alone must be recognised as the people's representative. Unfortunately sometimes it so happens that the Governor uses powers which are against the spirit of our Constitution and this does not help the integration. Sometimes he is considered to be superior to the Chief Minister, and more powerful than the Chief Minister. This is not correct we have to resolve this issue. We cannot make two persons equally important or one person who is not having any sort of representative character more important than the Chief Minister.

Here I may cite the example of my own State. In 1966 our Legislature was in suspended animation. At that time the Government wanted to get a Bill passed. That was regarding the border regions. It was called the security belt Bill at that time. Because the Legislature was in suspended animation, the Governor on his own without consulting the legislature and the people of our State went forward and sent a representation to the Government of India wherein he gave his consent. He allowed the Government of India to pass such a legislation on behalf of Kashmir.

The Article 370 under which the State is ruled governed did not allow this measure. Only the State Legislature was powerful enough. Only they had right to decide about this important piece of legislation. Governor did not ask the advice of the State Legislature. This sort of thing should not be repeated. This is going to create chaos and confusion. This is going to help unleash those forces which are going to disintegrate the country. Therefore, I warn that we must define the powers of the Governor and the Chief Minister. Only the Chief Minister is the supreme political head of the State because he is having the representative character; because he has been voted to power and he is the real voice of the people.

Therefore, somebody whether a representative of or the President of India should not be an overload overlapping or should not be forcing the Chief Minister and dictating terms to him. Therefore, this is to be corrected.

In this connection, I want to appraise the Government of India that Jammu and Kashmir had accession with India in 1947. There was a Delhi Agreement and under the provisions of Article 370, Jammu and Kashmir became part of India. Article 370 was sacrosanct. It was part of the Indian Constitution. It allowed the people of the State to have their own Constitution also. There were some historical facts. Some people, today in anger oppose Article 370. They think that this is detrimental to the State's

accession with India. They are wrong. They do not know history. They do not know the background. They should be reminded of the fact that in 1947, from all the three sides of Kashmir, Pakistan was hovering itself on the State. They were trying to capture Kashmir. They thought that muslims were predominant in Jammu and Kashmir. Therefore, Kashmir should become part of Pakistan. But under the dynamic leadership of Sheikh Mohammad Abdullah and the National Conference stalwarts, they fought against the raiders. They did not allow Kashmir in the name of two-nation theory to become part of Pakistan. Therefore, in those circumstances, one should imagine how the freedom fighters and the people of Kashmir, especially the majority community of Kashmir, did not allow Pakistan to sway them in the name of religion. They did not allow them to capture Kashmir. They fought back. There were many stalwarts. One was Sherwani. Who remembers him today? Who knows him? He was hanged at Baramulla by raiders. What about Master Abdul Aziz and many others? The Hindus and Muslims, who fought valiantly under the leadership of National Conference got themselves eliminated. They were killed. They were massacred. But they did not allow them to rule or to come to Pakistan. Therefore, the people who do not know anything about accession their voices are being heard in this august House also. They say, why Jammu and Kashmir is given Article 370? Why were they given special status. Why was this not abrogated completely? That is why I say, there have been political, historical and geographical backgrounds which guaranteed this Article. Historical processes in India have helped the people to form this sort of relationship. Unfortunately after 1953—after Sheikh Abdullah was exiled—a process started in Kashmir. More powers were taken away from the people of Kashmir. The Indian Constitution gave some powers to the people of the State under Article 370. Some very vital things were done. But unfortunately, the successive Governments which did not have representative character have encroached upon Article 370. It had made it very weak and a helpless situation was created.

Sir, in this connection, I would like to say that we should be very careful. The Indian Constitution has Article 370. It is very important. It is a bridge between the whole of the country and Kashmir. You should not do anything to weaken it or to create more difficulties because it will give rise to some psychological feelings and some unfortunate things in Kashmir. There are people, there are elements, who want to exploit the situation against the integration of the country.

Therefore, we should be very careful; and I think everybody—the Congress and the National Conference—are committed to retain Article 370; and wherever there has been any injustice caused to this Article, Government of India should review it, and you should find out if there are some important features which it has lost—I mean Article 370 of Indian Constitution—and if so, they should be given back to the people of Kashmir, so that the relationship is strengthened, and nothing is done against this very important aspect, which has itself become a history, and which makes the India-Kashmir relationship very strong.

**SHRI SRIBALLAV PANIGRAHI (Deogarh):** Mr. Deputy Speaker, Sir. This is a very important subject. The Centre-State relations which are, as is evident, deteriorating over the years, have got to be handled very carefully.

Obviously, there are two tiers of Government, as envisaged in the Constitution. One is at the level of the Union, and the other at the level of the States. Considering the size, population, as also geographical, linguistic, religious, racial and other diversities which give India the character of a sub-continent, and considering the need for strengthening the unity and integrity of the country and to promote the welfare of the people, the framers of our Constitution came to the conclusion that we should have a Union, with a strong Centre. The Constituent Assembly addressed itself to the immense and complex task of deriving a Union with a strong Centre.

17.37 hrs.

[MR. SPEAKER *in the Chair*]

The Constitution, as is emerged from the Constituent Assembly in 1949, has important federal features; but it cannot be called federal in the classical sense. It cannot be called unitary either. It envisaged a diversified political system of a special type. According to Dr. Ambedkar, Chairman of the Drafting Committee of the Constituent Assembly : "It is unitary in extraordinary situations such as war or emergency, and federal in normal times." Dr. Ambedkar, while introducing the Draft Constitution, further said : "The Federation is a Union because it is indestructible. Though the country and the people may be divided into different States for convenience of administration, the country is one integral whole, its people a single people living under a single imperium, derived from a single source."

This is the importance of the constitutional system of our country. Again, some authorities have classified it as a quasi-federal Constitution. However, these levels hardly matter, as both the levels of Government viz. at the Union level and at the State level, derive their respective powers from a written Constitution which is supreme.

There is a Supreme Court also to interpret the Constitution. In this background, when this Constitution has been in operation over the years, that is for 37 years, then some disputes have arisen with regard to the relationship between Centre and States and the administrative aspects have been reviewed during 1966 to 1977 by the Administrative Reforms Commission.

Our country, which is a Union of States, the very first art, Art. 1 of the Constitution describes India as a Union of States. It is like a garland with all flowers and all the flowers are beautiful. They have a fragrance also. But when they are tied with a rope, they make a garland, and it further beautifies; and like that, it is a garland. I find, it is like a solar system. A strong Centre is like a sun in the solar

system with planets and the States can be described as planets in the solar system in this system. So, we cannot think of the Government of India without States. But there are certain irritants which have been referred to at length by the previous speakers about financial powers, administrative powers, political powers and also including that of the rule of the Governors, procedure of appointment of the Governors, etc. That is why also the late Prime Minister, Shrimati Indira Gandhi, at the appropriate time, appointed a Sarkaria Commission, which had gone into details all these aspects and submitted a voluminous report, which is now under circulation. It has been circulated to all the States and their opinions have been sought. Naturally, an appropriate decision will be taken thereon shortly.

I was listening to the mover of the Resolution Shri Patel and also Prof. Dandavate very carefully. While listening to them, I was reminded of a story of the cow boy. He went to graze cattle. While the cattle was grazing, he was sitting on a particular place; when he was sitting on a particular place, wisdom came to him. He started preaching sermons and talking like a very sane person, a wise man. But after descending from that particular place, he started behaving differently. So, I would say that the Centre-State relationship is very sensitive, is very important, but they started deteriorating in 1977 when Janata Government came to power. At one stroke, the then Home Minister, Shri Charan Singhji insisted, decided that on the basis of opinions, on the basis of elections of the Lok Sabha, all the States must go at one stroke of time. There were very senior Ministers, capable Ministers—Finance Minister, Railway Minister and senior leaders. Of course, today, I must congratulate Prof Dandavate, who confesses that it was a mistake. We have to admit of a system that at any point of time or all point of time, it is not only one political party which would come to power both at the Centre and in all the States. The reality we have to realise; and naturally that calls for peaceful co-existence; that calls for a very happy cordial relationship between different political parties. Of course, in politics diffe-

rences will be there; there will be a competition for capturing power but that competition has got to be a healthy one in the overall functioning of the democracy of the country. In the electioneering, let us have a controversy, but during the rest of the period, we should try to evolve some formula for the successful functioning of the different governments run by different political parties.

I would now come to the present situation, how Centre-State relationship can be improved. In one State, the much laudable scheme which is referred to in the National Educational Policy, about setting up of Navodaya schools, has not been implemented. The State Government refused to implement this. They do not cooperate with the Government of India in establishing this new type of schools, which is welcomed in all quarters.

Again, how the Centre-State relationship be improved, when some Chief Ministers hold a conclave, they go from place to place and they conspire against the central leadership ? How can it be improved ? We have to give a serious thinking to this aspect. How the Centre-State relationship can be improved when some political parties who are also at the helm of affairs in some States, go on repeating "Rajiv Hatao", or go on launching a movement for the removal of the Prime Minister going out of the way, though he has got the mandate. When Shri Rajiv Gandhi has got a mandate to run the country for five years to come, who are they to raise their fingers, or to raise slogans like that ? They should not forget that, while remaining inside glass houses they should not throw stones at others. Naturally, they have to remember that.

Recently, with an all India Bandh call was given by some political parties who are incharge of some administration of some States, they were deeply involved in paralysing the working of the Central sector undertakings. They did not give even police assistance to those who wanted to work. Naturally, there has to be some self-introspection. This is a very sensitive matter. This requires to be examined, because we have to think of it because

peaceful co-existence between the Centre and the States is every important.

Now, about the financial powers. Naturally, a point has been made, and it has been dealt with in detail by the Sarkaria Commission. I am not commenting on it since that will come before the House for discussion. Again, I would say, are there not serious allegations mentioned on the floor of this very House political parties and members, regardless of their party affiliations both on this side and on that side, that there is lot of wasteful expending in the States ? There is a flow of funds from the Centre to the States on particular heads, for these anti-poverty programmes but the money is being misused, and they are not used for the purpose for which they are given. They are not being properly utilised. Naturally, therefore, this has to be looked into and again there are three things, financial aspect, administrative aspect, and economic aspect. Naturally, I would not like to go into the details.

One thing, I would like to say regarding the Emergency provisions also. They are there in article 352, 356 and 360 of the Constitution, and about the role of the Governors. I wonder, how there is an opinion, expressed by some Chief Ministers also, that there is no necessity for the office of Governor to exist ! Now, some senior leaders have mentioned that there should be some modalities prescribed for the appointment of Governors and about the application of their powers. Naturally, they have to work with objectivity. Several times the role of the Governor of Andhra Pradesh has been mentioned here.

In this connection, I would like to draw the attention of this august House to one matter. In Assam we have a Government run by Asom Gana Parishad, an opposition party, for Congress. But we have a Governor, who has built up excellent relationship there. He is attending even the marriage processions. He is maintaining such relations with the leaders. He has helped in the signing of the Accord also. If somewhere, in some State, a Governor does something contro-

[Shri Sriballav Panigrahi]

versial, taking advantage of that, the entire system should not be attacked. It is a well built system. The Governor has a role to play politically. I would like to remind the hon. Members that regardless of parties, political people—MLAs, MPs, etc. walk into Raj Bhavans and exchange with the Governor. He is the Chancellor of the University in some States. He is the head of the State. He has a role—an eminent role—to play in the field of Education in that way. The Governor is the Head of the Red Cross Organisation and so many other organisations. So, there is no question of doing away with this useful post of Governor.

Sir, again on the financial side, I would like to suggest that the States should be given more autonomy with regard to raising of resources and in the process of devolution of financial powers. While speaking on this, I would like to say that the States which are run by the political parties opposed to Congress, are not thinking of India as a whole. So many poor States, which are small, weak and backward, are there and special care has to be given to them. In Eastern India, there is Assam together with seven sisters. There is Kashmir on the north. How sensitive Kashmir is? The entire expenditure has to be met by the Centre. All these things naturally have to be looked into. At the same time regional imbalance is growing and on the increase; and sometimes threatening our national integrity. The States which are quite top in the list of low per capita income, like Bihar and Orissa, will have to be given special treatment. I am not going to into it as to how it could be done for want of time. Those states should be treated as special States and should be given more reliefs and grants than in the form of advance, etc.

There has to be tolerance in our system in a country of this magnitude. We have opted for democracy, where the peoples opinion is of paramount importance. Naturally there has got to be tolerance and also peaceful co-existence, and politics of confrontation will not help

us. Always there should be attempts to have national consensus on vital aspects and important matters. Pre-requisite to smooth functioning of Union State relations is now threatened by politics of confrontation. There are various forums like National Development Council, National Integration Council, Inter-State Council—formation of which has been suggested by the Sarkaria Commission, and other new forums, where the Centre and States can sit together and thrash out their problems, and they can strengthen the national integrity and solidarity. In this process, we can work and much ahead along the path of progress and prosperity, strengthening our unity and solidarity and at the time bringing in prosperity for the country.

**SHRI AMAR ROYPRADHAN**  
(Cooch Behar) : Mr. Speaker Sir, at the outset, I would like to thank Shri Patel for moving this resolution on Centre State Relations.

Sir, the Sarkaria Commission's report is with us. The Government's recommendations on it are still awaited. At this time there is a cry outside—somebody saying that there should be a strong Centre, somebody saying that there should be a strong State, somebody saying that there should be a strong Centre but at the same time there should be more powers to the States—definitely this debate is not only an interesting one but an important one for our country. When there is so much cry and so much voice raised about the strong centre and strong States, I would like to go back to the history. The Congress is in power. What was their view before independence and immediately after that also? In brief I would like to say that I have gone through the 1942 Quit India resolution of the Congress. There it is said :

"The Constitution according to the Congress views shall be a federal one with largest measure of autonomy for its federal units and with residuary powers vesting with the State units."

Again, if we go through the 1946 Election Manifesto of the Congress, there it is clearly stated :

"A free democratic State ; a federal one with an autonomy for its constituent units ; maximum freedom to the constituent units..."

Even if we go through the debate of the Constituent Assembly, the Constitution maker, Dr. B R. Ambedkar, had clearly stated and that is mentioned in the report of Shri B. N. Rao : "a union of States". What was the view of Sardar Patel at that time : "Real union of the Indian people is based on the basic concept of the sovereignty of the people."

Why has this attitude changed suddenly ? Prof. Dandavate has made a mention of it just now. Because of partition of India and influx of refugees, the Congress people who were sitting in the Constituent Assembly, thought that there might be growth of fissiparous tendencies in the entire country and that is why, they thought that there should be a strong centre. Not only that, the attack on Kashmir also made them think on those lines. Besides that, there was the influence of rich people like Tata and Birla. They did not want to move their industries from one place to another. They thought that if things were there at one central place, it would be easy for them to get things done. Because of all these reasons, you have accepted this state of conditions and ultimately accepted a strong centre.

It would have been gone on easily. But the problems started. The main problem is article 356. Since 1950 you have used this article 56 times in different States. That means, you make the existence of elected State Governments meaningless. Another reason is deployment of armed forces in States as you have done on 1st July, 1980 in Srinagar and very recently on 29th January, 1988 in Tripura. Another reason is transfer of High Court judges.

18.00 hrs.

MR. SPEAKER : Don't worry, Amar Roy Ji, four minutes more. Carry on.

SHRI AMAR ROYPRADHAN  
Thank you, Sir.

Enquiries were directed from the Centre in the case of Pratap Singh Kairon, in 1963, in the case of Devaraj Urs in 1977, and in the case of Karunanidhi in 1976. With all these, they have created so many problems and the relations between the Centre and the States have become more difficult ... (Interruptions). Is he in favour of a strong Centre or a strong State, let him say. In this situation, my concrete suggestion is that the people of the country are not for the Constitution, the Constitution is for the people of the country. So, my first suggestion is that article 356 should be deleted from the Constitution, just to stop the misuse of this article because they have used this article fifty-six times for so many reasons, flimsy reasons.

Secondly, the Governor should be a non-political and a non-controversial person. In the Sarkaria Commission's recommendations also it is there that a non-political person should be a Governor, particularly in the States where non-Congress governments are there... (Interruptions). One thing must be categorically mentioned that once appointed a Governor, he cannot join any party. Take the case of Mr. Sharma. He was the Governor of West Bengal but later on he became their party member and became a nominated Rajya Sabha Member from Bihar. Such persons should not be there because the political persons will definitely try to... (Interruptions) I do not like to say that. You know better what was the role of Mr. Sharma in West Bengal... (Interruptions).

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI CHINTAMANI PANIGRAHI) : Are you satisfied with the Governor now ?

SHRI AMAR ROYPRADHAN : I do not like to comment on it. My other concrete suggestions are :

- (1) The State Chief Minister must be consulted before the appointment of the Governor. It is there in the Sarkaria Commission's Report also.

[*Shri Amar Roypradhan*](2) *Regarding financial matters—*

- (a) States should be consulted before the terms of reference are formulated by the Finance Commission.
- (b) States should get a larger share in Corporate and
- (c) Printing of notes and minting of coins to meet deficit budget of the Centre should be stopped immediately.... (*Interruptions*).
- (3) Fifty-ninth Amendment of the Constitution should be withdrawn.
- (4) The President's rule should not continue for more than six months anywhere.... (*Interruptions*).

**SHRI SAIFUDDIN CHOWDHARY :**  
In Delhi or where ?

**SHRI AMAR ROYPRADHAN :** Any where.

- (5) Education must be brought back to the State List. One of the Members from the other side made some allegation against the West Bengal Government. May 1, through you, one question from them that why 'Education' has been taken from the State List to the Concurrent List ? It is because of the fact that the three-language formula may be implemented properly. The three language formula has not been implemented properly and that is why the Southern States are taking some other action .... (*Interruptions*).

**MR. SPEAKER :** Amar Roy Ji, now next time.

**SHRI AMAR ROYPRADHAN :** All right, Sir.

**PROF. MADHU DANDAVATE :** He will have to stand up to July, Sir... . (*Interruptions*).

**MR. SPEAKER :** Now, the Prime Minister.

18.05 hrs.

**STATEMENT RE : EXTENSION OF THE FACILITY OF RAILWAY PASSES TO FREEDOM FIGHTERS**

[*English*]

**THE PRIME MINISTER (SHRI RAJIV GANDHI) :** Mr. Speaker, Sir, we are celebrating the 40th Anniversary of our Independence. Our thoughts go to those valiant fighters for freedom who were ready to sacrifice their all so that their country might be free. Happily some of them are still with us. It is appropriate that on this auspicious anniversary the nation should extend to them its special recognition.

Accordingly, Government have decided to extend by one more year, on existing terms and conditions, the facility of Complimentary Railway Passes to all Freedom Fighters who are in receipt of Central Pensions. The Ministry of Railways have issued the required instructions to give effect to this decision.

Thank you.

18.06 hrs.

**STATEMENT RE : CONSTITUTION OF A COMMITTEE TO REVIEW THE PROGRESS OF THE IMPLEMENTATION OF THE TEXTILE POLICY, 1985**

[*English*]

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** While replying to the debate on the Demands for Grants for my Ministry in this august House on 5th April, 1988, I had stated that we had decided to appoint a Committee, consisting of representatives from all interested sectors, to sit down and review how the textile policy has worked

uptill now. Accordingly, I am glad to announce the constitution of such a Committee, under the Chairmanship of Shri Abid Hussain, Member, Planning Commission. This Committee shall review the progress of the implementation of the textile policy to assess as to how it has affected the various sectors of the textile economy. In particular, the Committee would be expected to make an assessment of how far various measures devised in the policy for protection of handlooms have been effective in achieving their objectives and also whether the pre-eminent role of cotton as the main raw material of the textile industry has been maintained as stated in the Policy.

The Committee includes representatives from the handloom, powerloom and mill sectors, representatives of the cotton and the synthetic sectors as well as representatives of Trade Unions. The committee shall submit its report within a period of six months from the date of its constitution. Copies of the Government Resolution dated 13th May, 1988, constituting this Committee have been placed in the Parliament Library.

*[English]*

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION AND BROADCASTING (SHRI H. K. L. BHAGAT) : Mr Speaker, Sir, I consider it as my privilege to thank the hon. Members of the House whether sitting on this side or that side, for taking a lot of interest in the proceedings of this Budget Session. We had perhaps a very large number of sittings, we took a lot of time. I am not going into the details now. They took all interest. We had a lot of business, we had a lot of discussion, we have agreed we have differed, but we have done it in a spirit of parliamentary democracy under your able guidance. I want to thank all the Members of both sides, the leaders of the opposition, the Ministers, Sir, above all, you. Under your guidance this House was conducted with dignity and with ability. I thank the Secretary-General, the Secretariat, all those in Parliamentary Affairs Department, the Press and all others

who are concerned with it. Finally, it has ended with a good announcement by the Prime Minister with regard to the freedom fighters.

Once again, I thank all of you and the Hon'ble Members. We have acted with a spirit of cooperation. We have differed, we have agreed, disagreed, but we have carried on this session and I extend my thanks to all.

PROF. MADHU DANDAVATE (Rajapur) : M. P.s' passes should be continued for five years more !

SHRI C MADHAV REDDY (Adilabad) : Sir, I wish to thank you on behalf of the Opposition for ably conducting the House and I associate myself with the feelings expressed by the Minister of Parliamentary Affairs. This was a marathon session lasting for about 11 weeks and we thank you very much because we are now being relieved. We will go to our constituencies and we will meet again after two months. Thank you.

MR. SPEAKER : Hon'ble Members, the Tenth Session of Eighth Lok Sabha comes to a close today. Before I adjourn the House, I would like to take the opportunity to thank the Hon'ble Members for the kind cooperation extended by them to me and my colleagues—the Deputy Speaker and Members of the panel of Chairmen—in conducting the proceedings of the House smoothly. This has been a long and busy session. The House has held 53 sittings lasting over 342 hours. It is quite a long, long session and I think you are all eager now to fly home. I am particularly proud that we have done a good job and by our cooperation, I think we have always been looking forward to the well-being of this great institution, because it safeguards for posterity as well as for the whole people of this country the bright light which it sheds all over, because without the parliamentary institution and the parliamentary form of Government, the representative form of Government, the people cannot breathe freely. And, that is the great asset which we, the great people of India, have been carrying on very gallantly for the last 40 years, and I think you are the bastion of

## [Mr. Speaker]

parliamentary democracy, and this has been recognised. Wherever I go, I hold my head high. In the meetings throughout the world and in parliamentary forums they talk highly of you, and I think I am proud to be the recipient of those greetings. Let me just say that whatever may be the causes, let there be free expression, full debate on every subject, and I think we have had that. There might be certain things at certain times, and about the way we might differ. Through which door we should come, that might be the question which might agitate our minds. Otherwise, I think we don't differ at all. But let those differences be with decorum. And I can assure you that we shall never fail in that. Let not some agitational approach mar our vision. That is the only thing I will say. At certain times we get agitated, but we should be able to control that and do something which ennobles us to do the good work.

As usual, the Session began with the discussion on the Motion of Thanks on the President's Address which was spread over six days and lasted for about 15 hours. Being the Budget Session, most of the time of the House was devoted to transaction of financial business. The general discussion on the Railway Budget which was presented on 24th February, 1988, continued for five days. General discussion on the General Budget which was presented to the House on 29.2.1988 also lasted for another 5 days. The Demands in respect of ten Ministries/Departments came up for detailed discussion in the House. Besides, the Supplementary and Excess Demands for Grants in respect of both the Railway and General Budgets were discussed and passed by the House. Budgets pertaining to the States of Punjab and Tamil Nadu, which are under President's Rule, were also discussed and voted.

As many as 353 questions were orally answered on the floor of the House in addition to two Short Notice Questions. Four half-an-Hour discussions were also held.

Thirty-four Bill were passed during the current Session. Some of the impor-

tant Bills were the High Court and Supreme Court Judges (Conditions of Service) Amendment Bill ; the Constitution (Fifty-ninth Amendment) Bill ; the Illegal Migrants (Determination by Tribunals) Amendment Bill ; the Finance Bill ; the Employees Provident Fund and Miscellaneous Provisions (Amendment) Bill ; the Special Protection Group Bill and the Companies (Amendment) Bill.

Seven Short Duration Discussions on matters of public importance such as hike in administered prices of petrol, coal, steel, edible oil, sugar etc. ; dissolution of Punjab Legislative Assembly ; mass killings of people by terrorists in Punjab ; loss of ammunition due to fire at the Central Ordnance Depot, Jabalpur ; report of the Joint Parliamentary Committee on Bofors contract ; allegation of payment of commission to Indian agents in the purchase of submarines and continued growth of population were held. Some of the important matters raised through Calling Attention were lawyers' strike ; DTC strike in Delhi and reported decision to sell Scooters India Ltd. to a private scooter company. Besides, five Statutory Resolutions were discussed in the House.

Quite a good deal of interest was shown by Members in sponsoring Private Members' Legislation. As many as 42 Bills were introduced, including 17 seeking to amend the Constitution. Two Resolutions from Private Members came up for discussion. Resolution regarding measures for upliftment of tribal people on which discussion had started on 16.4.1987 was disposed of on 18.3.1988 after a discussion lasting 14 hours.

Once again I thank all the Members, party and group leaders for their unstinted cooperation in conducting the proceedings of the House in a dignified manner.

I must also thank and congratulate my staff from the Secretariat including the Secretary-General, his colleagues and others—the security staff and all of them. Those security people have to pass through so many vicissitudes due to this unusual situation and some of my

Members have had to pass through some difficult times ; and, I did not like that. But anyhow, these are times when you must bear with them. I will take care that nothing happens to my Members and their honour.

I wish all the Members the very best till we meet again. Thank you very much.

Now the House stands adjourned sine die.

18.15 hrs.

*The Lok Sabha then adjourned sine die.*

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